

The NATIONAL UNDERWRITER

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INSURED? YES, BUT...



For National Fire Group Agents

PERSONAL INSURANCE AUDIT

Fills the gap between simple single-policy selling and complex analysis-survey selling. Lists what insurance an individual has; what he should have. Has expiration record. Over 40 coverages listed, spaces for more. Simple to use, easy to understand. Good now; good postwar business builder... Another timely help for National Fire Group Agents.

A business, small or large, needs the *full* protection of fire insurance; plans and progress can be quickly wiped out by fire... A small, typically American enterprise was started with the life savings of a man and his wife, plus all they could borrow. The business grew rapidly. Then disaster struck. Our claim No. 71735 tells the story.

Cash value of contents	\$26,980.25
Insurance in force	6,000.00
Amount of loss	26,980.25
Amount paid	6,000.00
Net loss to insured	20,980.25

This was a case of gross under-insurance. As the business expanded the original protection was not increased. Are you checking small risks for adequate coverage as a source of additional insurance?



THE NATIONAL FIRE GROUP

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK

MECHANICS & TRADERS INSURANCE COMPANY
TRANSCONTINENTAL INSURANCE COMPANY

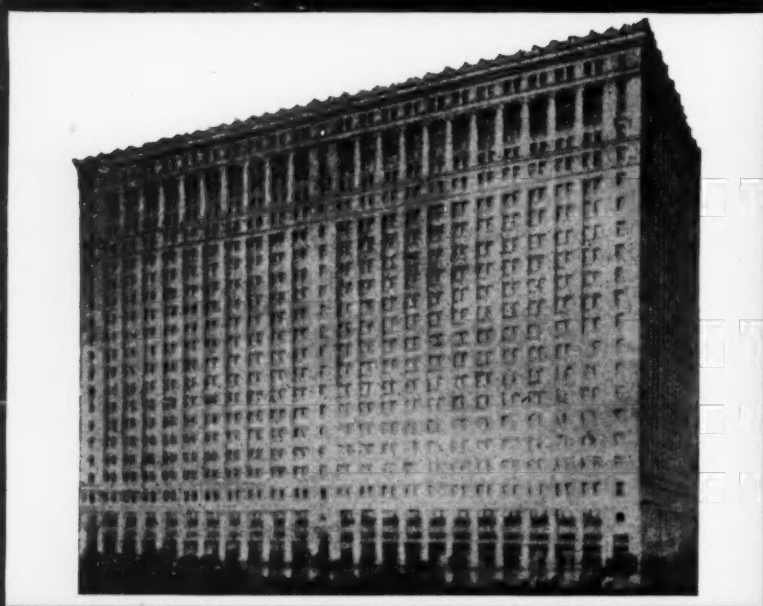
HOME AND ADMINISTRATIVE OFFICES: HARTFORD, CONNECTICUT

WESTERN DEPT. 175 WEST JACKSON BLVD., CHICAGO • PACIFIC DEPT. 234 BUSH ST., SAN FRANCISCO

THURSDAY, MAY 25, 1944

*Why you should locate your
insurance business in the
Insurance Exchange Building*

**THE GREATEST CENTRALIZATION
OF INSURANCE AND ALLIED
ORGANIZATIONS UNDER ONE ROOF**



Your insurance office in Chicago should be in the INSURANCE EXCHANGE, in the very midst of all this insurance activity. Let us show you how the address—175 W. Jackson Boulevard, will give you added prestige and premium income. For full rental information address

R. C. SWANSON, Manager

175 West Jackson Boulevard is an address synonymous with insurance not only in Chicago and the Middle west, but also the entire country. Nowhere else will you find such a great centralization of the insurance business in one area. Thus it is only natural and logical for company officials, branch office managers, leading agencies and allied businesses to select as their Chicago Headquarters, the INSURANCE EXCHANGE BUILDING.

Insurance Exchange Building
175 WEST JACKSON BLVD • CHICAGO



We're Not Magicians

in the prevention of dishonesty losses. But when that unexpected dishonesty loss occurs we will be able to reimburse your client for the loss, if you have sold him a Fidelity Blanket Bond.

The agent who sells this form of protection safeguards his customer and his own commission account now and in the future.

Why not call in our Bond man? He is prepared to analyze your clients' requirements and recommend which of several forms of bonds available are best suited to your clients' needs, thus securing the most coverage for the premium dollar expended.

THE TRAVELERS INDEMNITY COMPANY

HARTFORD, CONNECTICUT

"So All Can See!"

We've grown into a very big family—the Fire Insurance Industry. The first simple fire coverage in America, in 1752, was a green little acorn. It grew into forests of big oaks. With widespread branches—Windstorm, Hail, Water Damage, Smudge, Earthquake, Malicious Damage, etc., and the great branches of Inland Marine. We are proud of our present strength, which not only justifies our individual efforts, but is something to offer our country in time of need. Please pardon our Family Pride, while we present on the opposite page a few facts, figures and forecasts.

Industrial Protection: surveying thousands of war plants for fire hazards.

Engineer groups: cooperating with Navy shore establishments and private shipyards doing government work; Consultants to the Office of Civilian Defense; Assisting Coast Guard safety programs; checking each town's fire alarm system, fire-fighting equipment and water supply.

Salvage work: the 20,000,000 lbs. of rubber salvaged in Fall River, Mass., was only one of our many worthwhile salvage collections.

Dollar-a-year Advisory Boards: aiding Army and Navy departments on Protection.

Holding down the Arsonists: those acting as saboteurs or otherwise.

Help to Farmers: insuring growing crops, and research on heating, lighting, electric equipment, spontaneous combustion.

Making electric appliances safer in the home: by scientific testing.

Work for the adoption of uniform fire protection measures: and State fire marshal departments.

Educational Fire Prevention work with school children.

Long fight against home fires: to "Keep The Home Fires Burning", we add "But Watch Them". With 60% of our fires in the home, this fight must go on.

And the forecasts? With the trend toward simplified contracts together with broadened coverages, we know that these accomplishments are only the beginning of a really great program for American safety.



CRUM & FORSTER

MANAGERS

110 WILLIAM STREET • NEW YORK, N. Y.

United States Fire Insurance Co. Organized 1824
The North River Insurance Co. Organized 1822
Westchester Fire Insurance Co. Organized 1837
The Allemania Fire Insurance Co. of Pittsburgh Organized 1868

Richmond Insurance Co. Organized 1836
Western Assurance Co., U. S. Branch Incorporated 1851
British America Assurance Co., U. S. Branch Incorporated 1833
Southern Fire Insurance Co., Durham, N. C. Incorporated 1923

WESTERN DEPT., FREEPORT, ILL. • PACIFIC DEPT., SAN FRANCISCO • SOUTHERN DEPT., ATLANTA • ALLEGHENY DEPT., PITTSBURGH • CAROLINAS DEPT., DURHAM, N. C.



BUILDING AMERICA!

PAINTS



Approximately half the nation's wealth consists of paintable property—values totaling over 250 billion dollars.

As America's growth has created these values, its paint industry has kept pace with the need for conserving them—has not only provided "coverage" against rot, rust and decay but has satisfied the desire for beautifying for more graceful living. Contrasting with the crude practices of 50 years ago when ingredients were limited and

mixed by hand, today's "miracle methods" utilize some 2000 raw materials to produce paints, varnishes and lacquers of innumerable shades and uniform qualities. Sales of paint products have reached almost \$2,000,000 a day.

The paint industry is not only helping to preserve Home Front property but is creating and supplying new and varied protective coatings vitally important in America's "design for victory."

PROTECTING AMERICA!



Paint coverage and insurance coverage go hand in hand in protecting America's wealth. In addition to reimbursing for loss caused by fire, explosion, windstorm and many other hazards, insurance renders the prime service (vital in wartime) of loss prevention by applying all the

measures known to modern engineering for the conservation of life and property.

Inquiries are invited regarding the extensive underwriting and service facilities of the Royal-Liverpool Group.

Home front painting and necessary repairs will help to protect assets which, if allowed to deteriorate, may be irreplaceable for years to come.

ROYAL-LIVERPOOL GROUP

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA • THE LIVERPOOL & LONDON & GLOBE INSURANCE CO., LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA • THE NEWARK FIRE INSURANCE COMPANY • FEDERAL UNION INSURANCE COMPANY • ROYAL INSURANCE COMPANY, LTD. • THE SEABOARD INSURANCE COMPANY • STAR INSURANCE COMPANY OF AMERICA

Picture of Your Next Prospect



THERE HE IS... one of the twenty-five millions... one of the huge army of good insurance prospects who read The Saturday Evening Post, The American Home and Time magazines, the three publications that carry Employers' Group advertising.

Sitting at home, relaxed... with his guard down... he sees the effective Employers' Group advertising. He reads about the services of *The Man with the Plan*.

Plan... about the importance of seeing a local Employers' agent for planned insurance protection... and he begins to think it over.

Yes, Employers' Group magazine advertising... combined with our nationwide radio advertising... is sales-conditioning millions of prospects for Employers' Group agents. And those agents who follow it up with our coordinated direct mail campaign claim "It pays to be *The Man with the Plan*."

It Pays to be the Man with the Plan



The Employers' Group

One Liberty Square  Boston 7, Mass.

THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD.
THE EMPLOYERS' FIRE INSURANCE CO.
AMERICAN EMPLOYERS' INSURANCE CO.

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Texas Agents Hold One-Day Convention

**Elect Greever President
at Austin; Many
Problems Discussed**

NEW OFFICERS ELECTED

President—B. B. Greever, Wichita Falls.

Vice-president — R. H. McLarry, Dallas.

Executive secretary—D. G. Foreman, Dallas.

New directors—James Key, Odessa; R. H. McLarry, Dallas; A. A. Evans, Fort Worth.

AUSTIN, TEX.—Texas local agents should investigate the automobile finance field thoroughly, with a view to developing installment financing facilities for customers and thus protect



A. A. EVANS

their business after the war period, retiring President Alden A. Evans, Ft. Worth, said at the one-day convention here of the Texas Association of Insurance Agents. If local agents do not bestir themselves they will lose business because the buyers of automobiles and of other items will accept insurance policies from non-agency sources.

The legislative committee elected consists of: Fred Nagle, Austin, chairman; Julius Bergfeld, Tyler; L. C. Edwards, Beaumont; J. W. Purifoy, Ballinger, and Ethridge Woodward, Waco.

(CONTINUED ON PAGE 8)

Carey I.M.U.A. Head: North America Date Now June 30

The effective date of the resignation of North America from the Inland Marine Underwriters Association has been extended from May 29 to June 30. There was some hope that North America would withdraw its notice of resignation at the time of the annual I. M. U. A. meeting at Skytop, Pa., but it made no such move.

S. W. Carey, III, of Appleton & Cox, was elected president of the I. M. U. A., taking the place of W. R. McCain of Aetna Fire. F. M. McBride, Fireman's Fund, is vice-president, and D. C. Bowersock, Providence Washington, chairman of the executive committee.

Executive Committee Members

Those elected to the executive committee are: G. A. Robinson, Hartford Fire; E. J. Perrin, Jr., Automobile; G. G. Quirk, Aetna Fire; O. C. Gleiser, Commercial Union; L. M. Baldwin, Travelers, and A. W. Barthelmes, North British. Those elected to the board of appeals were H. V. Smith, Home; Henson Chubb, Chubb & Son; C. F. Codere, St. Paul; B. M. Culver, America Fore; F. W. Koeckert, Commercial Union; C.

Insurance Cases May Be Set for Reargument

WASHINGTON — Possibility was presented, as the Supreme Court neared the end of its regular term, with only one more day (May 29) scheduled for delivery of opinions, that important insurance cases might be set for reargument next fall. These are the South-eastern Underwriters Association and Polish National Alliance cases, both involving the question whether insurance is commerce.

They Were Argued Jan. 10

They are included in 14 cases already argued, but remaining undecided before the Court. Attaches thought the Court

is not likely, however, to extend its sittings for handing down opinions beyond the present deadline next Monday.

Last Monday the Court denied petitions for writs of certiorari in No. 876, New England Mutual Life vs. Cohen, and Nos. 906 and 907, Watson vs. Massachusetts Mutual Life.

In No. 335, Lloyd vs. U. S. F. & G., the Court denied a second petition for rehearing.

From a capitol committee source, reported to have gotten it from a member of the Court, comes word that the judges are "pretty far apart" on the insurance issue.

Summon New Witnesses on States Rights Bill

WASHINGTON — In accordance with the agenda submitted by Senator O'Mahoney, Wyoming, to the Senate judiciary committee, notices have been sent out to witnesses suggested by him, to appear next Friday and Saturday before the judiciary subcommittee for further hearings on the Bailey-Van Nuys insurance states rights bill.

Names of witnesses indicate the subcommittee will consider organized labor's opposition to the bill; also the situations as regard interstate underwriting, aviation insurance, and possibly other angles.

For May 26, witnesses scheduled are: Louis G. Hines, legislative counsel American Federation of Labor; Paul Hutchins, International Council of Office Employees; Ralph Boyer, Industrial & Ordinary Insurance Agents Council; Herbert F. Thatcher, general counsel AFL.

Witnesses scheduled for May 27 are: John R. Dumont, manager Interstate Underwriters Board; Daniel DeR. M. Scarritt, Associated Aviation Underwriters; David C. Beebe, U. S. Aviation Underwriters; Insurance Superintendent Dineen, New York.

O'Mahoney has suggested the committee should also call before it a representative of the National Board of Fire Underwriters.

Chicago Conference on Commissioners Meet

G. J. Mecherle of the State Farm companies, general chairman of local committees handling arrangements for the commissioners meeting at the Edgewater Beach Hotel, Chicago, June 14-17, met with his chairmen at the Union League Club, Chicago, this week to crystallize plans. It is likely there will be another and final meeting June 30.

It was decided the banquet will be Thursday night instead of Friday as originally planned. A cocktail party will precede it. There will be a luncheon Friday which at first was projected to be held Thursday.

R. Page, Fireman's Fund, and L. C. Lewis, North America.

The presence of four North America officials, including Vice-president Ludwig Lewis, added to the general feeling of encouragement that North America would remain in the I. M. U. A. which was engendered by the extension of the effective date of its resignation. Another item that was regarded as a good omen was that North America accepted membership on one of the committees.

Hail Cover Is Being Placed Earlier Than Usual

Hail insurance writings to date indicate that the 1944 season will at least equal or exceed the huge 1943 volume. The business is being written earlier in the season than usual and some observers believe that this is due to the fear of agents that the limits of liability of the various hail writing companies may be exhausted. Due to the adverse experience last year the companies are adhering pretty generally to a schedule of maximum liability by sections and townships rather than opening up the throttle and depending upon re-insurance to hold down the net.

The companies are not making an aggressive campaign for business but are instead seeking to get as even a spread of business as possible. Due to the personnel situation most of the companies would prefer not to exceed their 1943 writings and even prefer having somewhat less volume. The premiums from Kansas, Oklahoma and Texas were particularly heavy this year in a comparison with last and this is due very largely to the good crop condition this year. Last year the crop outlook there was poor.

Farmers are eager to buy hail insurance these days with the high price of grain and they seem to be taking into account also the fact that the premium is an income tax deduction. The fact that this is the first year that the government has been out of the crop insurance program may have some effect although except in its first year the hail insurance people feel that government crop insurance was not much of a deterrent to the purchase of hail insurance by the farmers in private companies. During the period that crop insurance was in effect grain prices were up and the farmers were not satisfied with the recovery that they would get from the government and so many of them purchased hail insurance on top of the government cover.

Neel Announces Pa. Rate Reduction Is on Tap

Commissioner Neel of Pennsylvania announces that he can give assurance to the public that fire insurance rate reductions are under consideration, particularly for the residential property and the small home owner. He has been conferring for the past year with the Middle Department Rating Association and another meeting is scheduled June 20. Mr. Neel spoke at the same time with approbation of the action of the companies in promulgating the new liberal dwelling and contents form.

Tackle Numerous Problems at Ark. Agents Convention

**Form Post-War Auto-
mobile Committee; Elect
Maxwell President**

NEW OFFICERS ELECTED

President—Robert Maxwell, Texarkana. Vice-president—S. W. Creekmore, Fort Smith.

Secretary-treasurer—C. C. Mitchener, Marianna.

State National director—Van Howell, Fayetteville.

Manager—Henry A. Ritgerod, Little Rock.

LITTLE ROCK—Members of the Arkansas Association of Insurance Agents at their annual convention here passed several resolutions calling for solution of the problem of the automobile dealer agencies, adoption in Arkansas of the new dwelling and household goods form as proposed by the Insur-



C. C. MITCHENER

ance Executives Association, and a permanent public relations committee for the association and establishment of a similar group by field men in order to assure joint action on an industry wide program.

Other resolutions urged reestablishment of the annual summer seminars at the University of Arkansas in order to provide refresher courses for insurance men returning from service and recommended the proposed model agents' qualification law to the incoming administration for study and action.

The meeting was dedicated to association members in service, and a dedicatory statement was presented by Allan Kennedy of Ft. Smith, who was the first president of the association and who has held that office six times since.

A special committee was authorized to study the matter of automobile dealers writing insurance in connection with finance plans with a view of recommending some plan to the association for effectively coping with this competitive threat. The committee will be known as the special committee on post-war automobile business. In the resolution

(CONTINUED ON PAGE 31)

Fire Loss Study Is Presented by National Board

Last Year's Increase Highest Since 1920, Survey Shows

NEW YORK—An indication that the actual total of 1943 fire losses may have considerably exceeded the National Board's estimate of \$373 million is contained in the report of the board's committee on statistics and origin of fires prepared for the annual meeting which takes place here this week.

The report points out that the \$373 million estimate was an increase of 18.7% over 1942, the largest increase since 1920 and in dollars the high point for the last 11 years, and that "in view of the fact that some of the plants engaged in war production are government owned and not covered by fire insurance, our estimates of the total loss is doubtless a conservative one, as only the customary allowance has been made for uninsured and unreported losses."

Types of Unreported Losses

An example of the type of loss for which the customary allowance for uninsured and unreported losses would be inadequate, though not mentioned in the report, would be the one which occurred at a lend-lease warehouse at Rockaway, N. J., where the loss was estimated at \$11 million by the National Fire Protection Association which lend-lease officials said was about \$3 million.

Accompanying the report is the table of fire losses since 1875 with a column "Index of Fire Losses" which, with 1926 as a base, indicates the trend of losses in terms of resources rather than in monetary values. This figure is determined by using the amount of insurance written each year as a measure of property exposed to destruction by fire and adjusting both the amount of insurance written and the fire loss by the bureau of labor statistics index of prices for all commodities. All of the necessary data for 1943 are not yet available.

Seek Engineer on Codes

The committee has hoped for some time to have an engineer attached to the staff who would devote his entire time to visiting cities where revision of their building code is needed or contemplated and presenting to the authorities the desirability of using the National Board building code as the basis. The committee hopes to put the plan into effect as soon as a man of the proper qualifications can be employed.

Development of municipal building codes has been noticeably slowed by the war, according to the committee on construction of buildings. Outlining current activity in this field, the report states that there is evidence of the widespread effect of the building code recommended by the National Board.

The 1943 edition of the National Board's code of suggested ordinances for small municipalities, based on the revised editions of the board's building code and the suggested fire prevention ordinance, is a condensation of most of the requirements found in larger building ordinances and is considered adequate for the requirements of most cities of medium and smaller size, including more than 6,000 cities, towns and villages.

The committee is chary in its predictions on the postwar expansion in the use of prefabricated housing. The use of prefabricated units in defense housing,

(CONTINUED ON LAST PAGE)

Vermont Agents Hold Spring Parley

Good Turnout for Montpelier Affair; Array of Distinguished Speakers

MONTPELIER, VT.—Doubt that it would be a good move to reduce the rate on extended coverage and make it a part of every fire contract was expressed by President Lee O. Tracy of Vermont Mutual Fire at the spring meeting of the Vermont Association of Insurance Agents here.

Attendance was large, and a stimulating program was packed into the half day session. Speakers included Arthur H. Clarke, Boston, secretary Massachusetts association; Stuart Ragland, Richmond, Va.; Commissioner Burns of Vermont; Commissioner Harrington of Massachusetts, and Governor Wills of Vermont.

President Arthur W. Hawkinson of St. Johnsbury was in the chair. The report of Edward S. Pike, Rutland, secretary-treasurer, was read by Harold F. Shea, Montpelier. More than 150 agents and company men attended the meeting.

Mr. Clarke explained the discussion course on residence theft lines as conducted in Massachusetts. Governor Wills warned against the disappearance of individual rights as the central government grows more powerful. Commissioner Burns stated that the Vermont commissioner's job is being held open for Albert Pingree, who is in service. Non-profit hospitalization plans, rate deviations of direct writers and plans for taking care of student automobile risks were discussed.

Some Don't Want E. C.

Mr. Tracy in his talk said that to make extended coverage a part of the fire contract would force many assured to buy something they do not want, and to give the coverage free would not be good underwriting because experience since the radical reduction in Vermont dwelling rates a few years ago shows that present rates are inadequate. He said he thought less than 25% have extended coverage now and that if agents presented it to every policyholder not more than 50% would buy. Consequently, the other 50% would be forced to buy something they did not want. The companies would receive twice as much income, but would have four times as much liability.

Certain conditions in the New York standard policy, which was introduced in Vermont earlier this year, disturbed some of the state companies, most of them pertaining to farm business, Mr. Tracy said. He mentioned the unoccupancy feature as one of the most important. Rates on unprotected dwellings and summer dwellings are the same. Under the summer dwelling form, permission is given for unoccupancy a portion of each year, but under unprotected dwelling forms the unoccupancy is limited. It is difficult for an agent to explain to assured who owns both a summer cottage and a country dwelling why one should have a charge and the other none. He suggested that the state agents' association should have representation on the rating board, along with a representative from the Vermont companies.

Cullimore Resumes Idaho Post

Howard Cullimore has been reappointed director of insurance in Idaho, succeeding James Dement, who assumed the duties of that office when Mr. Cullimore resigned to enter military service. Returning to civilian life, it was reported that Mr. Cullimore would be appointed to another state office. However, he was again named director of insurance and has resumed his duties.

Want New Dwelling Form in Wisconsin

Agents' "War Conference" Urges That It Be Made Available Immediately

MILWAUKEE—A resolution calling upon the Fire Insurance Rating Bureau, the Wisconsin department and the subscribers actuarial committee to make immediately available to Wisconsin the new dwelling and household furniture fire form, and have it apply to all dwelling risks, including seasonal dwellings, was adopted at the war conference of the Wisconsin Association of Insurance Agents here Monday. The conference replaced the usual midyear meeting and insurance school, cancelled because of war conditions. In attendance were the state officers and delegates from 23 city and county insurance boards.

The resolution by J. C. Hilgemann on the new fire form to make it applicable as soon as possible in Wisconsin was adopted after W. B. Calhoun, state national director, had discussed the development of the form and its features of broad coverage. In connection with a brief talk on the national public relations fund and the urgency to raise the final amount of the state's quota, Mr. Calhoun suggested that when the new form becomes available the agents should use this opportunity to get local newspaper publicity for themselves and their business.

Public Relations Stressed

In his opening remarks, President John S. Rowland, Racine, dwelt on the need of increased public relation efforts, locally as well as nationally. With further comment by T. Z. Clayton, Milwaukee, and Dewey Liegler, Racine, the discussion brought out that National and state associations, as well as local boards, can do a good job but that the individual agent, with his many contacts and opportunities, must boost his own business. Methods cited included acquaintance with legislators, activity on war bond and other drives, activities relating to insurance and fire prevention in schools, safety drives and many other activities that will "expose the local agent to people who buy insurance." Mr. Hilgemann suggested that agents contact their local newspapers, not only with news items on insurance, but to provide them with names of agents who should be contacted in checking insurance stories of public interest received from outside sources. Mr. Calhoun pointed out that since the local agent is an independent contractor rather than the servant of the companies, he should not depend on the companies for public relations, although both companies and agents have a stake in continuing the American agency system.

Educational Plans Discussed

In the absence of Grover Miller, Racine, chairman of the educational committee, who suffered an accident requiring hospitalization, the educational program discussion was led by President Rowland. He said a recent conference with Dean Elwell of the newly established school of commerce at the University of Wisconsin indicated that property, life actuarial and advanced casualty courses will be started as soon as practicable. The university now is devoting most of its facilities to army and navy training but the commerce school will welcome suggestions from agents and companies as to subjects and material to be included in the source. New postwar developments, refresher courses for returning service men-agents and the influx of young men into the business on return from military service were cited as examples of what should be considered in planning educational programs. Arthur Anderson, Madison,

(CONTINUED ON LAST PAGE)

National Board Public Relations Work Expanding

Poll Shows Public Ready to Accept Unwarranted Accusations

NEW YORK—Public opinion polls in test cities have demonstrated the readiness of an uninformed public to accept "unwarranted and unsound allegations made against us" in material given to newspaper and radio commentators, a situation which is not surprising in view of the effect of years in which the public has learned too little about our business," according to the report of the public relations committee of the National Board prepared for the annual meeting this week. The polls were undertaken to verify the ability of the National Board's advertising to inform the public regarding rate trends, profits and public services.

The report states that "we have endeavored to correct the public misinformation about our business which appeared in the press and by radio as a result of the activities of the anti-trust division of the Department of Justice" and mentioned specifically the two statements directed to insurance representatives and other leaders and the presentation and wide dissemination of a talk to know and make known the facts that have had a beneficial effect in providing a clearer understanding of fundamentals at least among the many who depend on insurance for a livelihood but it could hardly be expected that these efforts would counterbalance the effect of years in which the public has learned too little about our business.

Cooperate with N. A. I. A.

In the belief that its varied public relations activities had hardly scratched the service, the committee recommended that immediate information be developed dealing constructively and in terms of personal interest of the public with some of the basic facts of the business that have long been unrealized and recently misrepresented to the public; that the fullest cooperation be extended to and between the public relations activities of the National Association of Insurance Agents, the individual companies, and the various regional and other insurance organizations; that appropriate spokesmen both nationally and locally be equipped to answer promptly every legitimate public query about the business; and that companies and agents individually and jointly, resolve not to wait to be asked but to volunteer such information to the public at frequent intervals through worth while media.

Likening a proper and adequate public relations program to the protection afforded by fire insurance, the committee points out that in both instances prevention is preferable to reconstruction and adequate advance expenditure of both time and money is more economical in the long run.

The public relations program is being enlarged, a move that has received the unanimous approval of the public relations committee, the finance committee and the executive committee and the National Board intends to meet the "ever-present challenge which has more recently assumed such unusual proportions with a more comprehensive attempt than has heretofore been made.

"Success will not alone depend upon the earnestness of purpose and enthusiasm of our committee, but will require constant vigilance and a good-will approach towards policyholders, claimants and the general public by everyone

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Auto Loss Men Told of GEIC Plan for Training Adjusters

D. W. McGinnis Speaks: Postwar Needs Make Topic a Timely One

NEW YORK—General Exchange's training program for adjusters, which is of particular interest to other companies because of the job they will face after the war in rebuilding their automobile adjustment staffs, was described in detail for the Automobile Claims Association by Vice-president D. W. McGinnis of General Exchange.

General Exchange was influenced in its decision to put its new adjusters through a regular intensive course of training some years ago by the fact that it needed many new adjusters on account of the rapid expansion of its business on cars sold by the parent company, General Motors, and further by the fact that since it was decided that repair business should go to General Motors dealers the usual adjusting practice of getting competitive bids on repair jobs would not be feasible. Consequently, it was necessary for adjusters to know accurately how much a repair job should cost, both to save General Exchange a needlessly large claim and to avoid paying the General Motors dealer less than a fair price for the job.

Clinic System the First Step

Before General Exchange embarked on its program of training adjusters it had obtained skilled claim men from other insurance companies and at first the apprentice adjusters were sent out with these experienced men but the rapid growth of business made this inadequate as a training measure. The first step was a decision to use a clinic system in which each new man would estimate the damage to a car and then afterward in a general discussion it would be decided what was the ideal figure. Through these clinics there was developed a method of identifying damage and estimating the probable cost.

However, it was felt that there should be a school with a definite course of instruction. This consisted of a pre-school course of six weeks, followed by the actual school course of six weeks and then a post-graduate course of six weeks. New adjusters did not need to have both an insurance and mechanical background but it was desired that they have either one or the other. The aim was to keep a balance between men with insurance experience and mechanical experience.

Traveled and Studied

During the pre-school six weeks the new man traveled around with the experienced adjuster, watching how he operated and in the evening reading the prescribed material, which is in the form of bulletins. He also learned the nomenclature of automobile parts, as it is essential for an adjuster to know the name of the part and its functions, also how to know when it is damaged, how repairs to it are made, etc. He must also know the construction of a car, for example, where the weld line in a body is, or he might pay too much or too little for a repair job.

During the pre-schooling period the new adjuster also learned what forms to use and fill out and the definite inspection sequence to be used, beginning with the point of impact. Following the sequence is important in order to save the adjuster's time, to spot all dam-

(CONTINUED ON LAST PAGE)

Pan \$50 Deductible for Windstorm in Texas Coast Area

AUSTIN—The \$50 deductible that now must be applied on windstorm policies in the seacoast area, got a rough going-over at the rate hearing here, but the commissioners held it over for further consideration.

At the outset, Fire Commissioner Marvin Hall admitted that the deductible was unpopular and said he had received many letters of criticism, but very few suggestions for a substitute plan. Accordingly he asked that those who opposed it try to suggest a substitute.

Henry Greenfield, past president of the Houston Insurance Exchange, recommended that the windstorm rate be figured in accordance with experience and that the customers be allowed a discount for applying the deductible. "In selling, it is easier to give them something instead of charging extra," he said.

It also was suggested by several, notably T. W. McAfee, formerly special agent of National Union, now a local agent at Mercedes, that a statewide rate be charged for windstorm instead of the higher rate along the coast. It was pointed out that hail storms have increased windstorm claims inland.

May Revamp Classifications

Mr. Hall said the department was seriously considering eliminating several obsolete rate classifications and consolidating others, so that adequate premiums would be reported for experience purposes.

Richard H. McLarry of Dallas was spokesman for the local agents and William Thompson of Dallas represented the eastern companies. He suggested that things be left alone so that experience could be developed.

T. R. Mansfield, vice-president of Gulf, objected to applying the dwelling rate to mercantile buildings simply because living quarters are established on the premises.

John Coleman of San Antonio introduced Maj. Bernard Heinze, eighth service command, and Lt. Welby Logan of New York, who asked the board to ratify uniform post exchange forms. They explained that the army is striving to maintain the insurance on these properties for private carriers. Texas is the only state that has not yet approved the forms.

PPF Approval Is Urged

Mr. McLarry urged the board to approve the personal property floater for use in Texas. He pointed out that under the present plan fire and windstorm coverages must be excluded and written in separate policies. He suggested use of a rate verification slip for the fire and windstorm portion of the personal property premium.

Mr. Mansfield said the rate for chicken hatcheries should be increased. Facetiously he said: "We have tried to avoid them but so far we have taken ten of them, nine have burned and we took the tenth last week." He also said the fireproof sprinkler rate is foolishly low and reported that some of the buyers of this line think the insurance companies are crazy for taking such large risks at such low rates.

Mr. Coleman said that every time he sees a composition roof his stomach turns over and asked, if it is in order for the board to allow a discount for the fire hazard, why it should not charge a penalty for the windstorm hazard, considering the vulnerability to hail.

Wind-driven rain also came in for some panning, in view of the provision in the new policy that when wind-driven rain damage is caused by a hurricane the companies are liable. Ledoux Smith of Waco said the definition of hurricanes and tornadoes is the same and that the companies will start paying

Thomas Assails Idea of Federal Control

NEW YORK—The experience of recent years with the activities of federal bureaucracy does not encourage anyone to believe that the fire insurance business would be as efficiently or economically regulated by the federal government as it is today by the states, while if the present system of state regulation were to have superimposed on it a system of federal regulation the additional expense which would necessarily accompany such a duplication of regulation would not only force a reversal of the present trend of broader coverage at lower cost but also place an additional tax burden on policyholders and on the public, generally, said President J. M. Thomas of National Union in his report as president of the National Board. Nothing would be gained but much would be lost by any tampering with a business that has demonstrated its great stabilizing influence in assuring economic progress.

After outlining the important functions of fire insurance in the general economy, particularly in the coming reconversion to peacetime activity, and also the industry's wartime role of inspection and protection, Mr. Thomas said of the future that "we seek a better America, not a new one."

"We plan and prepare to fight for a standard of living higher than we have known," he said. "We know that this better America can come only through a multitude of plans worked out in the brains and hearts of a multitude of Americans, each giving of his talents, be they few or many, to the common goal of a great and united people."

"It is not in the plans that the menace of our country lies. It is in the controls. No superplan worked out by any theorist, however able, by any committee public or private, however earnest and however honestly motivated, can do the tremendous constructive task of mulling that lies ahead."

Harrington Omaha Speaker

OMAHA—Opposition to extension of the social security program was voiced by Charles F. J. Harrington, Boston, president National Association of Insurance Commissioners, at a Chamber of Commerce-sponsored luncheon.

C. A. Abrahamson, Omaha Insurance Agency, was toastmaster. Insurance Director Frazer of Nebraska introduced Mr. Harrington.

To Royal to Do Research Work

The Royal-Liverpool group has appointed Burton E. Kelley to a position in research and production work in connection with the brokerage and service departments.

He is a native of Springfield, Mass., and a graduate of Worcester Polytechnic Institute. He was connected with National Fire of Hartford at one time and later with Penn Western Service Corporation. He has been insurance manager for Best Foods, Inc., the past four years.

Harvey with General in Ind.

R. B. Harvey, who has been in the Terre Haute office of the Indiana Fire Inspection Bureau, has gone with the General of Seattle as special agent in Indiana.

for wind-driven rain losses inland after every tornado.

R. B. Cousins, Texas Checking Office, reminded the board that propositions of other years had not been acted upon, such as the fraction rule in computation of rates, the request for a standard errors and omissions form, an extra expense form and cutout of sprinkler systems form, and renewed his request that they be adopted.

Good Crowd for Annual Muster of Miss. Agents

Sneed Elected President: Continue to Seek Contingent Commissions

JACKSON MISS.—More than 200 attended the annual convention of the Mississippi Association of Insurance Agents here.

John B. Sneed, Gulfport, was elected president, succeeding O. Shaw Johnson, Clarksdale. Other officers are W. S. Smylie, Meridian, vice-president; Theo Hardy, Vicksburg, reelected state na-



JOHN B. SNEED

tional director, and four new directors, Felton Grubbs, Philadelphia; J. B. Calvin, Picayune; John Henry, Tunica, and Julian Hopkins, Columbus.

The association adopted a resolution authorizing the appointment of a committee to approach the Mississippi Bankers Association and try to evolve a solution to the problem of insurance on financed automobiles as it will obtain after the war. There was also a resolution in commemoration of John Sharp Williams, 3d, former insurance commissioner. The efforts of President Johnson and other officers to secure the passage of an agents' licensing law were



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Clant M. Seay

highly commended. Another resolution requested continuation of the educational program. Manager Clant M. Seay was commended for his work, as were officers on their effort to secure contingent commissions in Mississippi and the forms committee for its work in improving and broadening coverages.

Membership of the association is now 233, only 12 less than last year, President Johnson said in his annual report.

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AS SEEN FROM CHICAGO

W. W. HEISE SUES BOARD

W. W. Heise, who at one time was a class 1 member of the Chicago Board, has brought a suit in superior court for damages against the board and for recovery of his \$1,000 entrance fee. Mr. Heise was ousted from the board a number of years ago. The suit is related to the action in superior court of long standing that was brought by T. H. Reiter against Ernest Palmer and others on the ground that he was unlawfully deprived of his interest in Illinois National Casualty, of which he was president, by Mr. Palmer when the latter was Illinois insurance director. Attorney John A. Brown represents Mr. Reiter and he also represents Mr. Heise in the suit against the Chicago Board. Mr. Heise testified in the Reiter suit, alleging that Mr. Palmer had a hand in his expulsion from the board.

The entrance fee, according to the Chicago Board constitution, is not returnable to the member.

The bill alleges that Mr. Heise was solicited to buy Illinois National Casualty and declined to do so, and that thereafter in 1934 he was summoned to

Springfield by Mr. Palmer for what turned out to be a hearing on his agent's license. Mr. Palmer sought to revoke the license, according to the bill, but was stopped by an injunction and the state supreme court set aside the proceedings.

In the meantime, the bill states, he was dropped from membership in the Chicago Board and when he sought reinstatement his company sponsors were discouraged from pursuing the matter. The bill seeks to attach significance to the fact that Mr. Palmer was manager of the Chicago Board before becoming insurance director.

Mr. Heise asks \$500,000 damages.

O. E. ALESHIRE IS RETIRING

O. E. Aleshire, who for many years was head of the class 1 Chicago agency of Parker, Aleshire & Co., and is a past president of the Chicago Board, has resigned as president of Modern Woodmen of Rock Island, Ill., and will retire from active business life. He has been head of Modern Woodmen since 1938. His two sons, Merlin C. and

Donald W. now operate Parker, Aleshire & Co.

Mr. Aleshire will make his residence in Chicago after his retirement July 15. He intends to retire completely from business life and will not return to Parker, Aleshire & Co.

Mr. Aleshire went to Chicago to engage in the insurance business in 1891. Previously he had been publishing a newspaper at Buchanan, Mich., and was a member of the Michigan legislature.

W. S. MAY OFFICE CLOSED

The Chicago office of W. S. May & Co., which has been a leading specialist in the automobile finance business, is being closed. Harry C. Krause, who has been with the organization about 15 years, has been the Chicago manager. He has a thorough going knowledge of the automobile line and is also conversant with the fire and casualty business generally.

INSURANCE WOMEN ELECT

Mrs. Kathleen L. Belcher, reinsurance expert and general agent of Constitution Reinsurance and Unity Fire, was reelected president of the Insurance Distaff Executives Association of Chicago at the annual dinner meeting.

The nominating committee chairman was Mrs. Evalyn Andrews, Insurance Library. The other officers who were unanimously elected, are: Sadie M. Hoffman, vice-president; Isabelle A. Fry, secretary; Doshia J. Pearson, treasurer, and Myrtie C. Buck, historian. La Verne Hand, past president, installed the officers.

BROKERS HEAR C.P.C.U. PLANS

Prof. Howard Berolzheimer of Northwestern University finance school outlined to a special meeting of the Insurance Brokers Association of Illinois the plans and benefits of the C.P.C.U. course. The exams in this course will be held June 7. He compared this to the C.L.U. course studied by life men which has been conducted for more than a decade.

A revised constitution and by-laws were approved. It was announced Miss Nora Hostie, executive secretary, resigned and has been succeeded by Mercedes Gannon in charge of the executive office in the Insurance Exchange. Fred Bracken, new membership chairman, reported a goal of 1,000 new members has been set. There are now 551 members. He said 35 were gained in the last two weeks. J. B. Parker, vice-president, presided in the absence of President R. H. Johnson.

CLUTE WITH MANUFACTURERS

E. Richard Clute has been named special agent of Manufacturers Fire for Illinois. He will be in charge of the fire insurance department under the supervision of Byron Sommers, Chicago manager, branch office of Manufacturers Fire and Manufacturers Casualty.

Mr. Clute has been with North America three years. For the past several months he had been northern Illinois special agent. Previously he had been in the brokerage department, also the engineering department. Previously he had been four years with the Lansing B. Warner organization in Chicago.

FETZER SLATED JUNE 6

Wade Fetzer, president of W. A. Alexander & Co. of Chicago and chairman of the public relations committee of the National Association of Insurance Agents, is addressing the luncheon meeting June 6 of the Chicago Insurance Agents Association on public relations. H. K. Schaufli, assistant general manager National Board, has been signed up as a speaker for the September meeting.

FIELD CLUB OUTING

The Cook County Field Club will hold its annual golf tournament and outing at Itasca country club June 16. George Hoope of Moore, Case, Lyman & Hubbard, president of the organiza-

tion, is in charge of the affair. The club curtailed its activities this year because of the war and because of the work of members on the Cook County SWIS inspections, which currently are being made.

JONES WITH EKERN FIRM

Paul F. Jones, former Illinois insurance director, who recently resigned to resume the practice of law, has become an associate of Ekern, Meyers & Matthias, insurance attorneys of Chicago.

Mr. Jones will maintain his home, and continue to be identified in the general practice of law as a member of the firm of Lindley, Jones, Grant & Sebat, at Danville, Ill.

Ekern, Meyers & Matthias are general counsel for the State Farm companies of Bloomington, Ill., and have numerous other insurance connections.

COLVILLE ADVISER SERVICE

Ralph Colville, who has been manager at Chicago for T. H. Mastin & Co. for the past four years, has resigned to engage in the work of independent insurance consultant in the fields of loss prevention, advising in the setting up of a general insurance policy, etc. He has taken offices in the LaSalle-Wacker building, Chicago, and will operate as Ralph Colville & Associates. Mr. Colville was insurance manager of U. S. Gypsum Co. for several years and then in 1933 became insurance manager of Montgomery Ward & Co., from which position he went with T. H. Mastin & Co. He has thus had much experience in handling the problems of buyers and he enjoys cordial relations with many brokers. He has been called into consultation frequently in connection with army insurance affairs at Washington.

COMPANIES

Nelson Heads Fire Loss Unit of North America

The fire loss department in the head office of North America is being reorganized to expand its services, and Stanton L. Nelson of the fire underwriting department has been named superintendent of the fire loss department, a new position. R. A. Rigg is associated with him.

Mr. Nelson has been associated with North America 29 years. He was first head of the western department's loss unit in Chicago. He went to the head office in 1940.

Two St. Louis Insurers Form Policy Team

St. Louis F. & M. and Washington F. & M. of St. Louis have made arrangements to write a joint and several policy to be known as St. Louis Underwriters of St. Louis F. & M. and Washington F. & M.

The capital of both companies has been increased. The capital of St. Louis F. & M. was increased from \$212,500 to \$250,000 and the stock was sold at a price to provide \$214,500 of contributed surplus.

Capital of Washington F. & M. was increased from \$250,000 to \$500,000 by the sale of stock at \$100 per share. Immediately thereafter the par value was reduced to \$50, thus transferring \$250,000 to surplus. Both companies are managed by General Insurers of St. Louis.

FIRE PREVENTION ENGINEER

Here is an Armour graduate with 15 years fire prevention experience with agency, company, and rating bureau. Very likeable chap.

FERGASON PERSONNEL

INSURANCE PERSONNEL EXCLUSIVELY
106 W. Jackson Blvd., Chicago 4, Ill. HAR 9040



AMONG the African Bageshu, if a rich man becomes ill, the spirit which is believed to be causing the illness, must be appeased. Thus a small hut is built near the sick man's house in honor of the spirit, a goat or cow is killed, and some of the meat and blood are put into the hut.

The medicine man then climbs to the top of the house where a large piece of meat has been placed on a spike, cuts the meat into small pieces, and tosses it among the people who have gathered for the ceremony. The people snatch it up and eat it. In this manner, the illness is distributed among a large number of people who suffer no ill effects, while the sick man recovers.



This and other ancient methods of spreading the ill fortune of the few among the many, in order to eliminate disaster, finds its present application in the fundamental principle of distribution of risks—the basis of modern insurance.

National Union

and Birmingham

FIRE INSURANCE COMPANIES

PITTSBURGH · PENNSYLVANIA



Geor Elect

At the Blue Pacific gander; Southeastern supervisory Carl H. guardian agent, A. Hughes, ica, Atl. New m. Bell, Fir reau; W. & Rating ciate m. White Fireman; ager At Office, a secretary Marion past m. members Memo Chas. N. ris, adju ager Fir as, Atl. tion. R. E. panies' the mem during increase bers are Carl g., pres past m. certifica istration arranged man of

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FIELD

Georgia Pond Elects Holmes

At the annual meeting of the Georgia Blue Goose in Atlanta John P. Holmes, Pacific National, was elected most loyal gander; J. W. Morris, Jr., engineer Southeastern Underwriters Association supervisor; L. J. Saye, Home, custodian; Carl H. Lippold, Hartford Fire, guardian; W. G. Stephens, Jr., general agent, Atlanta, keeper, and Carleton N. Hughes, assistant manager North America, Atlanta, welder.

New members initiated were Frank R. Bell, Fire Companies' Adjustment Bureau; Wm. E. Bailey, Georgia Inspection & Rating Bureau; John H. Dillard, associate manager Fireman's Fund; S. White Kenan, agency superintendent, Fireman's Fund; James W. Black, manager Atlanta Facultative Reinsurance Office, and James W. Pierce, assistant secretary Georgia Home, Columbus. Marion E. Bleakley, general agent and past m. l. g., gave the charge to the new members.

Memorial service was conducted by Chas. N. Jerome for Lawrence N. Morris, adjuster; Russell W. Michael, manager Fireman's Fund, and W. B. Thomas, Atlanta manager Factory Association.

R. E. Bruce, Jr., manager Fire Companies' Adjustment Bureau, chairman of the membership committee, reported that during the year the pond's membership increased by five. Twenty-seven members are in service.

Carl M. Ramspeck, Home, past m. l. g., presented Gordon F. Price with the past most loyal gander button and a certificate of appreciation for his administration. A dinner closed the meeting, arranged by W. G. Stephens, Jr., chairman of the entertainment committee.

Fesler in Southern Ohio Field for Ohio Farmers

W. D. Fesler has joined Ohio Farmers and will travel southern Ohio as special agent in the engineering department. He is well known in Ohio, having been associated with the Akron office of the Ohio Inspection Bureau for a number of years. He will make his headquarters at 802 Buckeye building, Columbus.



W. D. Fesler

Wissler to Ohio Field for Automobile, Standard

Wade K. Wissler is being transferred from the Iowa-Nebraska field by Automobile and Standard to northeastern Ohio, with headquarters in Cleveland, to succeed E. T. O'Brien, state agent of the companies in that territory. Mr. O'Brien resigned to enter the local agency business in Hartford, Conn.

Shiel with Vernon General

E. H. Shiel has been appointed executive special agent of Vernon General of Indianapolis. He started in 1910 with Travelers and he was with Union of Indiana for 21 years, a local agent in Indianapolis for five years, and has been with Wolverine since October, 1942.

Bassford Returns to Washington

M. B. Bassford, fire survey engineer for the Washington, D. C., territory of Travelers Fire, who temporarily was assigned to Newark territory, has re-

turned to Washington as special agent in fire lines.

Automobile's Ohio State Agent Enters Local Field

E. T. O'Brien, for the past 10 years state agent for Automobile and Standard Fire at Cleveland, is returning to Hartford to engage in the general insurance business as a member of the O'Brien agency. The agency is now operated by his brother, Robert J. O'Brien.

Mr. O'Brien started at Hartford with

Scottish Union and joined Automobile in 1929 as an examiner.

Lett to Portland, Ore.

Glenn F. Lett, special agent of Fireman's Fund, is being transferred from Spokane to Portland, Ore., to succeed John E. Meeke, resigned. He will have supervision of Oregon. Lewis J. Colby, special agent at Spokane for eastern Washington and northern Idaho, will take over Mr. Lett's former field as well as continuing to serve his present territory.

Mr. Lett has been with the company

since 1923. He was at the home office for 15 years before entering field work.

Confer on Ky. SWIS Program

Henry W. Lyndall of Columbus, regional security officer, conferred in Louisville with the Kentucky SWIS committee, which consists of R. K. Langgan, state agent Great American, supervisor; John L. Thompson of the Kentucky Inspection Bureau; Gordon Kellner, Aetna Casualty; Clyde Smith, state fire marshal, and William H. Day, former Kentucky security officer.

The Kentucky program is being en-

Adventures in HAPPINESS

from the  DIARY of a Local Agent



This afternoon Jim Herndon's wife called the office so excited and upset I could hardly understand her. When it dawned on me that she was at the police station and that Jim was out of town, I broke the speed laws getting there.

A fellow named Spanelli was breathing fire and brimstone first at the desk sergeant and then at Jim's wife who was bordering on hysteria. He was demanding \$50,000 in damages and that Mrs. Herndon spend the rest of her life in jail.

The distracted desk sergeant gave me a hasty sketch of the trouble. The Herndon car had knocked down one of the younger Spanelli and the boy had a bad fracture of the leg and a good sized bump on his head.

Discounting the fact that Spanelli, senior,

was by nature an excitable man, I wondered why all the vindictiveness. Unfortunately, Jim had had trouble with this man at the plant and at last had been forced to fire him. That made things just dandy.

When I explained that there was plenty of insurance to take care of things no matter what happened, Mrs. Herndon began to calm down and the sergeant let me take her home.

To know that Jim had 100/200,000 limits on the car was as good as a tonic for her. As a result, I'm feeling pretty chipper tonight. There's a lot of good, solid satisfaction in being an insurance agent. And that reminds me—there are some more people around this town who are going to have higher limits tomorrow.



larged and many additional war plants listed for inspection.

Ross Coffin, state agent of Eagle Star and Northwestern F. & M., addressed the graduating class of the Avon consolidated high schools, just west of Indianapolis, on "Opportunities Unlimited."

The **Alamo Blue Goose**, San Antonio, held its annual picnic with 75 in attendance.

N. C. Insurance Women Meet

CHARLOTTE, N. C.—Miss Anne Cary of Greensboro was elected president of the North Carolina Association of Insurance Women at its annual meeting here.

Miss Julia A. Keith, Charlotte, is vice-president; Miss Ada Kivette, Greensboro, secretary, and Mrs. Theda Hodge, Raleigh, treasurer.

Miss Clara MacCubbin, Baltimore, vice-president National Association of Insurance Women, spoke on "Women in the Insurance Business," and R. L. Price, Charlotte, state national director North Carolina Association of Insurance Agents, on "Public Relations."

E. F. Young, chairman of the educational committee of the North Carolina Association of Insurance Agents, pre-

sented certificates to women who have completed courses of the association.

Guests included Commissioner Hodges, T. H. Woodard of Wilson, president, and S. G. Otstot of Raleigh, executive secretary North Carolina Association of Insurance Agents.

Piedmont Fire was host at a luncheon and the Charlotte Insurance Exchange and field men gave a reception.

Insurance Women of Los Angeles elected new officers: President, Genevieve Holliday, Loyalty group; vice-president, Ethel Earley, Dwyer-Cutler & Co.; recording secretary, Thelma Blevens, Oregon Mutual Fire; corresponding secretary, Dorothy Dow, Fidelity & Casualty; treasurer, Arlene Thompson, General Agencies of N. Y.; editor, Mary Ellen Harper, Massachusetts Bonding. They will be installed June 14, with Sophia Bliven, women's division manager California-Western States Life, presiding.

Aviation Insurance was the subject of discussion at the meeting of the **Cincinnati Association of Insurance Women** with E. W. Pullen, manager Aero Underwriters, Columbus, as speaker. Insurance Women of Akron will be in charge of a two-day meeting at Akron starting June 10. Columbus and Cincinnati insurance women plan to attend.

Public Relations Work Expanding

(CONTINUED FROM PAGE 6)

identified with our business, the report states.

Cooperation with the army engineers in a school of instruction in fighting airplane crash fires development work with the chemical warfare service and collaboration with the navy and coast guard in shipboard fire fighting are among the activities listed in the report of the committee on fire prevention and engineering standards.

In spite of the demands of government service, however, the National Board engineers have not neglected fire protection and prevention work for municipalities and other civilian units. Reports following checkups of the more important fire fighting facilities of cities have enabled the engineers to give attention to an increased number of municipalities. Regarding conditions in cities, the report mentions that the manpower situation in some fire departments has been cause for concern, the worst conditions being in cities in the vicinity of large war industries which offer attractive pay inducements. The draft of men for the armed services has also been a large factor in some sections. However, certain fire commissioners and chiefs have adopted an aggressive and practical policy in filling vacancies to keep their departments up to strength and have had considerable success.

Many of the problems confronting cities cannot be solved until materials necessary for making the improvements can be obtained, according to the report. Studies are now being made looking toward postwar additions to water distribution systems and fire alarm systems and replacement of wornout or obsolete fire apparatus.

Navy Department Citation

The report mentions that the cooperation of the National Board engineers with the navy and coast guard resulted in the board's being awarded the navy department's first citation to a service organization for outstanding work in furtherance of the navy's wartime program and the coast guard's giving the board the first shield of honor awarded to any organization.

The 1943 New York standard fire policy has been adopted in 26 states, Alaska and Hawaii and District of Columbia, the committee on laws reported.

The committee also outlined the situation with respect to federal and state legislation and the present status of the model agent's qualification bill which is now under consideration by the N. A. I. A.

Uniform Accounting

The committee on uniform accounting reported that it had submitted a list of recommendations to the blanks committee of the National Association of Insurance Commissioners at its recent meeting but that the only one which the committee approved was the transposition of lines 45 and 47 on page 11 to make a more convenient arrangement for calculating investment expenses incurred. One of the desired changes that was turned down was to transfer the state business figures on page 9 to a perforated page at the end of the statement and permit it to be filed as a separate exhibit 30 days after the filing of the statement, which would be a great advance during the present wartime help shortage.

The report of the committee on conference with other insurance companies suggests that the broader acceptance of the interdependability of companies writing all branches of insurance which has received increased impetus in recent months "probably to a greater extent than ever before" may have been facilitated by early experiences of casualty, marine and fire company operators who discovered the relative ease with which they could accommodate their several operations to a common objec-

tive when they conferred together. The committee participated in several such conferences and was gratified at the results.

Membership 209 Insurers

The membership committee reported that the National Board now totals 209 companies, having been increased during the year by the election of Manufacturers Fire and National American Fire.

D. of C. Fire Rate Bill Is Making Progress

WASHINGTON—Legislation for regulation of fire insurance rates in the District of Columbia, through a rating bureau, took another step towards completion when the House passed Rep. Anderson's (New Mexico) bill H. R. 3974, as a substitute for Senator McCarran's bill, S 1029. To help along the process by retaining the legislative identity of the latter, already passed by the Senate, the House struck out all after the enacting clause of S 1029 and substituted the text of Anderson's bill.

There is little difference between S 1029 as passed the Senate and the substituted Anderson bill. Under the former insurance rates would be fixed partly on the basis of profit to insurance companies. Under the Anderson bill the superintendent could use that method or an alternate method of determining class experience, without taking over-all experience, and using the former as basis of rate regulation.

The bill passed the House unanimously after Chairman Randolph of the House District committee stated fire losses here during past years have totaled only 30% of amounts paid in premiums. He said that "Buyers of insurance support the insurance department, and they are entitled to its protection."

A. J. Schlapp Vice-president

A. J. Schlapp, who is in charge of the loss department of Newhouse & Sayre, has been elected vice-president. He has been with Newhouse & Sayre 14 years and previously was in the loss department of W. B. Brandt & Co.

WANTED

Well known casualty and surety company has openings in Chicago for:

Casualty Underwriter or Producer
Casualty Claim Adjuster
Payroll Auditor
Safety Engineer

Positions permanent. Prospect for advancement excellent. Applicants must be draft exempt. Address replies to Box W-5, care The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

INSURANCE

FIELD REPRESENTATIVE

We have an opening for a high-class experienced fire and casualty representative to travel northeastern Ind. This position offers a splendid opportunity to the right man.

COOLING-GRUMME-MUMFORD CO.
115 N. Penn. Indianapolis, Ind. Room 346

AGENCY WANTED

Purchaser wishes to buy fire and/or casualty agency in small Michigan town or city. Address W-3, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Fire and Casualty Insurance Agency. City 10,000 or more. Prefer Illinois or central west. Write W-4, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FOR FIRE AND CASUALTY MEN ONLY!



THE "GENERAL" IDEA

Meet Peter Porker, the top-notch General insurance agent of Pigville. . . . A little while ago he was just an ordinary salesman. One day one of his clients wanted to talk about life insurance. This had happened before, and up to then Peter had seen these possible commissions slip out of his grasp. Then he read a Union Mutual advertisement which told him how he, a General agent, could sell life and, better still, get the full commissions. So he wrote to us about it, and now he's merrily taking advantage of all the life possibilities among his present clients. And those extra commissions come in mighty handy! You can do the same thing . . . write to Rolland E. Irish, president, today—NOW!

UNION MUTUAL
LIFE INSURANCE COMPANY

Portland **MAINE** Home Office



Indiana School Features Burglary and Surety Courses

INDIANAPOLIS—More than 90 agents and employees attended the short course school of the Indiana Association of Insurance Agents at Indiana University's extension division here. This was the second year the school was transferred from Bloomington because of war time travel conditions.

Two eight hour courses of the National Association of Insurance Agents, fidelity and surety and burglary and plate glass, were given, followed by a special session on the 1943 New York fire policy, which was adopted in Indiana this year. Attendance was evenly divided between the two courses and over 60 stayed for the fire policy session.

Personnel of Faculty

Discussions in the fidelity and surety course were led by G. A. Conner, Baltimore, assistant to vice-president Fidelity & Deposit, W. J. McFeeley, Baltimore, superintendent judicial bond department U. S. F. & G., and W. A. Schlorst, Baltimore, assistant manager contract department U. S. F. & G. The burglary and plate glass course was handled by Austin Bryan, Hartford, field supervisor Aetna Casualty, Homer Sherwood, Hartford, assistant supervisor field service Travelers, and J. C. O'Connor, Chicago, editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER. Mr. O'Connor also conducted the fire policy discussion.

Sessions started Tuesday afternoon and continued through the evening and Wednesday morning, with examinations just before noon. The fire policy session was held Wednesday afternoon. A dinner Tuesday evening at the Indianapolis Athletic Club was the only social note. A message was sent to Prof. J. Edward Hedges, in Washington on leave of absence from the university who had planned the school and directed its predecessors. Harry E. McClain, Indianapolis, executive secretary, directed the school in Professor Hedges' absence.

Association Board Meets

The directors, regional vice-presidents and committee chairmen of the Indiana Association held a dinner meeting at the Indianapolis Athletic Club the night before the school, with 36 present. F. C. Richardt, state national director, reported on the National Association meeting at Jackson, Miss. Other committees reported and there was a thorough discussion of current issues outlined by President H. C. Wolff, Indianapolis, and Mr. McClain.

Commissioner Viehmann was the only speaker at the dinner. He praised the educational work of the Indiana association, pointing out that a few years ago 50% of the applicants for agency licenses failed to show up for examination, but now this has been cut to 20%.

He also reported that workmen's compensation rates in Indiana will be reduced an average of 7% as of July 1, making an average cut of 45% since 1935.

Fire coverages will be broadened, particularly through the new dwelling and contents form, and there will be some rate reductions. He said he favors broadening coverages rather than cutting rates, but the fire companies have not been fully cooperative. He also said multiple line operations are coming, whether the insurance business wants it or not.

Insurers More Liberal in Covering Vintage Autos

NEW YORK—With the situation as it is regarding automobiles, underwriters are accepting risks today they would have turned down before the war when it was the fashion to get a new car every year. Many cars of ancient vintage have

been dusted off and put into constant use and there is a demand for insurance on these cars. One office recently insured a 1926 Pierce-Arrow for B. I. and P. D. and another insured a 1925 Flint. Companies are dubious about taking such risks, however, unless they know the risk, the agent, and the condition of the car. Other things being equal, they will insure a car for one risk that they would not accept from another, even when the mechanical condition is not all that it should be. Some companies have been reluctant to take old cars and one automobile underwriter found he had to insure his ancient vehicle in a competing company, which was willing to accept

the risk, when his own company would not write it.

Accountants Hear Legislator

Assemblyman John J. Lamula, who is engaged in the insurance business, addressed a luncheon meeting of the Casualty & Surety Accountants Association of New York on "Legislation and the Insurance Profession."

"If we are to avoid regimentation by the bureaucrats in Washington," he said, "we must eliminate evils that exist in the insurance profession by a house cleaning of our own rather than wait for political demagogues to capitalize on our alleged shortcomings."

L. J. Taft Slated for Ky. Assistant Director

LOUISVILLE—It is reported that Governor Willis of Kentucky will appoint Leroy J. Taft of Ashland as deputy insurance director, when Mr. Taft recovers from injuries sustained in a recent automobile accident.

Mr. Taft has been in the life insurance business at Ashland and during the war has been engaged in government work in Ohio.

"Planned Salesmanship," by Cousins, the book for accident and health men. \$3.00 from National Underwriter.

This Is
YOUR COPY
FREE!



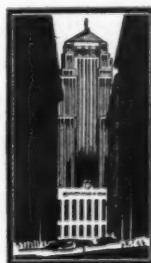
IF you are an agent on the alert for ideas to improve your sales letters here is a portfolio worth real money to you.

It comes to you as a result of hundreds of agents contributing their ideas in a nation-wide agency sales letter contest conducted by Millers National Insurance Company and Illinois Fire Insurance Company in 1943. This portfolio embodies the best points of all sales letters submitted in this successful contest, and has been edited by the well-known sales letter expert, Douglass Doolittle.

You may have a copy by simply

returning the coupon below... and in doing so, please do not feel obligated because the contest and this subsequent portfolio is a contribution to the insurance business as a whole.

Particularly, are we anxious to help those agents who are recruiting sales letters today to help offset the effects of fewer personal calls being made because of gasoline rationing. This portfolio of sales letters will help you... and again we invite you to send for your copy. Use the coupon below.



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Please send me portfolio of sales letters—no obligation.

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SERVICE HEADQUARTERS FOR ALERT AGENTS



WE PAVE THE WAY

EVERY community in America is alive with good insurance prospects. Few of them buy insurance voluntarily. They must be asked to buy. They must be sold. If each of these prospects can be "warmed-up" in advance of an agent's call, the sale can be made more quickly. The less time it takes to sell a prospect, the more prospects can be seen. The more prospects seen, the more sales made. These statements are all truisms that have been proved by experience. Camden Fire can add one more truism to the list: The pre-contact sales helps—letters, folders, direct-mail advertising—that Camden Fire provides for its Agents are doing a workman-like job of paving the way to quicker, easier sales. If your present path is proving to be rough and difficult, perhaps we can help you. Write us about yourself and we'll reply in kind.



**CAMDEN FIRE
INSURANCE ASSOCIATION**
CAMDEN, N. J.

"A Company is Known by the
Agents it KEEPS"

Assail Small Plant Proposal

The New Jersey Association of Mutual Insurance Agents has protested formally to Secretary of Commerce Jones against "the proposed plan of insuring government owned property leased to small plants for war work under a blanket open policy to be issued by the Factory Insurance Association and the Associated Factory Mutual Group."

The association asks that before the arrangement is concluded an opportunity to present "the economic, ethical, moral and political considerations which are being ignored by such summary action by this department of the government."

Flick Named Head of St. Louis Blue Goose

Frank P. Flick, Automobile, was elected most loyal gander of the St. Louis Blue Goose at the annual meeting. The new supervisor is W. A. McKenzie, Underwriters Adjusting; Custodian, R. M. Gisburne, Home; guardian, L. S. Poor, Missouri Inspection Bureau; keeper, George J. Seibold, America Fore, and welder, W. Ayton Cox, Geo. D. Capen & Co.

E. H. Doane, Jr., Underwriters Service; H. R. Alm, special agent, Springfield F. & M.; Harold G. Scott, American, and R. E. McGonagle, Factory Insurance Association, were elected to membership, while dual membership was conferred on John A. Bosdett, Royal-Liverpool.

Pins in recognition of 25 years continuous membership were presented to F. G. Fuessel, Globe & Rutgers; John A. Muckel, Western Adjustment, and Albert H. Schwarz, Missouri Inspection Bureau. Messrs. Flick and Cox were named grand nest delegates.

K. P. White, Jr., Coast Manager

Associated Fire & Marine has appointed K. P. White, Jr., Pacific coast underwriting manager with supervision over California, Oregon, Washington, Utah and Idaho.

Duffus Talks in Cleveland on Current Sales Ideas

CLEVELAND — Present customers are the best prospects, Roy A. Duffus, Rochester, told the Insurance Board of Cleveland, because the producer knows them and they know him. A survey of their needs will keep him busy. Make an honest appraisal of their needs and suggest cancellation and/or rewriting of existing insurance when it is advisable. Don't always try to wangle a few extra policies, he counseled. The prospect's needs will point the way to additional business.

Agents and brokers are selling a big idea with no samples to show; they should be insurance advisers and maintain a true professional attitude. Refresher courses from time to time are highly desirable.

Educational classes held in Rochester, he said, analyzed all forms of coverage by going through daily newspapers and discussing what it would take to cover the various losses as indicated in the news. Such an approach brings the needs home on a practical basis.

He showed the limited service card which he uses to obtain information and pave the way for taking care of future needs.

In selling vendors' product liability coverage, he recommended the vendor be allowed to tell what's wrong with the product; this brings out the need for full coverage. The producer should not run down a product.

Mr. Duffus uses a policy envelope carrying a list of all coverages. Items taken care of are marked in black; those not covered, in red.

On collections, prepaid envelopes greatly increase the return, saving personal trips and expense.

Service beyond the contract should be

the aim of every agent. An intelligent public relations program is vitally important. He advised agents to volunteer for war work. Many opportunities exist in this field of service for establishing prestige that will help the insurance business.

Bugli Stresses Woman's Role

BALTIMORE—Predicting a marked trend toward elevating women to executive rank in companies and to profit-sharing partnerships within agencies, R. W. Bugli told a joint meeting of the Insurance Women of Maryland and the Binder Club of Baltimore that insurance management is just beginning to appreciate the tremendous reservoir of responsible talent which the "woman power" of the business represents and on which it may have to depend increasingly in the postwar period. Mr. Bugli, who has been associated with Averell Broughton, public relations counsel of the National Association of Insurance Agents, emphasized the important role which insurance employees have, along with management, in overcoming the public's misinformation and lack of information about the insurance business.

Moloney Bar Speaker

George H. Moloney, vice-president and western manager of Hartford Accident, is addressing a luncheon meeting of the insurance committee of the Chicago Bar Association Friday. The speaker at the last meeting was R. J. Wetterlund, general counsel of Washington National, on "The Relationship of Insurance Companies to Insurance Departments."

"Factual Preparation for Trial" is Mr. Moloney's topic.

Capt. Harry D. Gubner, Jr., formerly a special agent of Home in New Jersey, who was reported missing after being shot down in an air raid over France March 26, has been reported as a prisoner of war in Germany.

W. H. Watkins and B. W. Exner, formerly of the J. S. Frelinghuysen Corp., have formed the general brokerage firm of **Watkins & Exner**, at 99 John street, New York.

Willard C. Coe, Chicago, office broker of the Associated Agencies and former class 1 member of the Chicago Board, died at the age of 83. A week ago he sustained a broken hip in a fall, and some time previously he was injured in a fall. Mr. Coe was born in Ripon, Wis., and had lived in Chicago since 1880. He was in general business there in his earlier years, then was insurance manager of Swift's for a time before entering business for himself in 1913 and becoming a class 1 member of the

Chicago Board. In 1923 he became a member of the firm of Herrick, Auerbach, Vastine & Dudley, which joined with Associated Agencies in 1932. Mr. Coe became a broker in 1933.

Late Casualty News

Stanley Staples Sales Head of Employers Mutuals

Stanley F. Staples has been appointed vice-president in charge of sales and L. M. Cox comptroller of Employers Mutual Liability and Employers Mutual Fire.

Mr. Staples joined Employers Mutual in 1933 as salesman at Minneapolis. In 1935 he was brought to the home offices and made manager of the administrative department. In 1938 he was made vice-president and comptroller.

Mr. Cox has been in the auditing department of the Chicago and New York offices for the past five years.

New Ia. Traveling Men's Head

Walter St. John of Des Moines has been elected president of Iowa State Traveling Men's, accident and health insurer, to succeed W. H. Smith, who died recently. He has been vice-president. Robert H. Phillips was named vice-president and George E. Hamilton chairman. Currie C. Chase remains as secretary-treasurer.

Mr. St. John was general agent in Des Moines of Equitable Life of Iowa for 35 years but since 1937 has given all his time to Iowa State.

McNickle with Bituminous

Bituminous Casualty has appointed T. C. McNickle as state agent for Virginia succeeding J. C. Montgomery, resigned. Mr. McNickle is a native Virginian and previous to his joining Bituminous Casualty in 1940 he had wide experience in the agency field.

York Enters Agency Field

Ivan W. York, recently of Lansing, has purchased the Lawrence Colby agency at Alpena, Mich., following Mr. Colby's death April 17. It will be known as Colby-York agency with offices in the National Bank building. Mr. York was formerly associated with Auto Owners in Lansing as Special Agent from 1929 to 1936 and from 1936 to 1943 he was superintendent of agents, and for the past year vice-president of American States doing special sales work in Michigan.



REGISTERED MAIL INSURANCE—All Risks

The CHARTER OAK FIRE INSURANCE COMPANY
Hartford, Connecticut.

ONE OF THE TRAVELERS COMPANIES

Propose Stocking Germantown Mutual

Mutual Fire of Germantown, Pa., has called a meeting of policyholders for June 21 to vote upon a proposal to convert the organization into a stock company to be known as Germantown Fire. A two-third vote of approval is necessary. There would be issued 50,000 shares of \$20 par value stock to policyholders.

Mutual Fire was organized in 1843 and it confines its activities to Philadelphia, Montgomery, Bucks, Chester and Delaware counties. It operates through agents and brokers and issues a non-assessable policy at tariff rates and pays no policyholder dividends. As of Dec. 31, 1943, its assets were \$3,918,805 and surplus was \$3,426,636.

This is the first proposed conversion of a mutual company into a stock organization in perhaps 20 years.

Policyholders of record May 11 would be allotted rights to subscribe to stock as follows: to term policyholders, one-tenth share for each full dollar of premium paid and to perpetual policyholders, one-tenth share for each \$10 of perpetual deposit.

Under a Pennsylvania law enacted in 1921, a mutual fire company incorporated prior to 1876 having a surplus of at least \$20,000 may convert to a stock company by the vote of two-thirds in interest of its policyholders.

W. H. Emhardt is president; W. R. Humphreys, treasurer; Z. I. Whiteman, secretary.

The home office is at 5521 Germantown avenue, Philadelphia.

Take Steps to Form Nevada Statewide Association

The Insurance Agents Association of Western Nevada, organized in 1928, will cease to exist with formation of a state wide association affiliated with the N.A.I.A. The annual meeting has been set for Sept. 9 at Reno. In the meantime officers of the western organization will act as state officers. President is George Stetson and secretary-treasurer, Howard Parrish, both of Reno.

Five regional vice-presidents have been named: J. F. McElroy, Welles, northern; Robert Walker, Fallon, central; J. E. Brinton, Ely, eastern; E. W. Cragin, Las Vegas, southern, and Elmer Cobb, Reno, western. The association hopes to have a membership of 100.

Kroger Offers 20% Rate Cut to Its Employees

ST. LOUIS—The widely known Kroger Grocery & Baking Company, through its recently formed Manufacturers & Merchants Indemnity, is offering to furnish insurance on automobile, personal liability, home "and all casualty lines to all Kroger employees and their families at "20% less than the manual rates you are now paying."

The Insurance Board of St. Louis has sent a strong letter of protest to the company. It has also sent out 2,000 copies of the Kroger circular without comment to members and others interested.

Illinois Farm Agents to Meet June 16 at Peoria

The Illinois Farm Insurance Agents Association will hold its annual meeting at the Jefferson hotel, Peoria, June 16. In the morning E. J. Dolan, special agent of Hartford Accident, Urbana, will discuss "Casualty Insurance on the Farm," and in the afternoon Bert R. Walinder, manager of the farm and hail depart-

ment of America Fore, Chicago, will deal with "Trends in the Farm Insurance Business." The talks will be followed by general discussion. The executive committee of the association will meet June 15. Forest L. Boden, London Mills, is president.

Del. Agents Perfect Organization

Acting on preliminary plans formulated last month to reorganize the Delaware Association of Insurance Agents as a strong integral affiliate of the Na-

tional association, 20 prominent Delaware local agents met at Wilmington and approved the new state constitution and by-laws which had been prepared with the assistance of N. A. I. A. leaders.

Officers elected to serve until August, 1945, are: President, E. S. Philips, Wilmington; vice-president, representing New Castle county, Albert Bird, Wilmington; secretary, F. H. Simonton, Wilmington; treasurer, William C. Boyer, Jr., Dover.

One vice-president will be elected from Kent and Sussex counties after these sections have had time to organize and name their representatives. Mr. Philips is expected to select his executive committee shortly and conferences will be

held in the southern part of the state to complete organization.

G. T. Warfield, Jr., Baltimore, national executive committeeman, presided as temporary chairman. National Secretary J. B. Miller acted as temporary secretary.

F. B. White Vice-president

F. B. White, head of the Cleveland agency of Rock Island, has been elected a vice-president and director of Bituminous Casualty.

Use FBI crime reports in selling burglary insurance. Write for samples of "Why You Need Burglary Insurance Protection." National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.



NATIONWIDE Binding Facilities

With teletype service connecting our major offices throughout the nation, the multiple-line underwriting facilities of the Fireman's Fund Companies are instantly at your command. A broker in New York asked us to insure, as quickly as possible, merchandise stored on the Pacific Coast at Portland. The line was fully covered in five minutes. An agent in Oakland, California, needed coverage on a Business Interruption risk in Chicago. This line was insured in three minutes. The close-knit multiple-line underwriting facilities of Fireman's Fund are available to agents and brokers wherever located.

Fire • Automobile • Marine



Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP

Fireman's Fund Insurance Company
Fireman's Fund Indemnity Company
Home Fire & Marine Insurance Company
Western National Insurance Company
Western National Indemnity Company

SAN FRANCISCO NEW YORK CHICAGO BOSTON ATLANTA

EDITORIAL COMMENT

Need for Efficient Agency Service

At the annual meeting of the Texas Association of Insurance Agents, Assistant General Manager J. F. Miazza of the Fire Companies Adjustment Bureau at Dallas made a remarkable statement in commenting on some recent losses in which he said that he was surprised to find the number of properties that were underinsured. He called attention to certain definite risks of various kinds and the amazing revelation was made that the assured were not sufficiently protected. For instance, the bureau made a test of 200 dwelling claims and found that the sound value was \$716,120 and the insurance \$434,229 or 61%.

Mr. Miazza declared that a condition of this kind certainly does not add to sound public relations for insurance. He feels that local agents have a very solemn duty to perform in their relations with policyholders and that every risk should be carefully gone over to see whether the assured does carry enough insurance.

Mr. Miazza also said that the Texas Automobile Service Office in Austin gave it as its opinion that less than

15% of the automobiles in Texas are insured for fire, theft, collision and comprehensive and that only 10% are insured for public liability and property damage.

These revelations are simply astounding. It would seem that the local agents in some localities are sadly deficient in their service. Policyholders under insured, having a loss, blame the agent. Perhaps the agent is not to be censured, but he should have called attention to the client the fact that he is under insured and about how much. He should write him and have in his files a copy of the letter so that the assured cannot come back at him and blame him for not looking after his interests the way he should. In case of loss adjustments an agent's service in providing for protection Mr. Miazza finds one of the greatest avenues for good will and a friendly attitude on part of the public.

It would seem in view of these revelations from Texas every agent should see to it that some survey is made of his clients' properties and that some conclusion be reached as to the actual value.



"I WANT ONE OF THOSE NEW BROAD FORM POLICIES."

No Need for Neologisms

"Imagineering" is the revolting term that has been coined for the combination of imagination and engineering that is going to produce the many marvels of the post-war world. "Execucasting" is what you do when using a new dictating machine that can be talked at like a microphone rather than by holding a funnel up to your face. "Therblig" is a word you are going to hear tossed around more and more as the efficiency experts carry the valuable results of their factory time-motion studies into the field of office work.

We are probably due for an outbreak of weird new names minted in the belief that familiar terms are insufficient to describe the wonderful new developments that are coming. But we hope that insurance, which is certainly going to flower out with some new developments of its own, will fight shy of any temptation to herald its achievements in gaudy synthetic verbiage. For one manufactured word like "Kodak" that gets itself accepted into the language almost as a common noun, there are thousands that give rise only to a feeling of revulsion and eventually die out, the sooner the better.

Incidentally, though the derivation of

"execucasting" is pretty obvious, you may well be wondering what in God's name a therblig is. A therblig is merely any basic motion used in work. For example, the act of grasping a piece of paper is a therblig. It is the name "Gilbreth" spelled backward, the "th" being regarded as a single letter. It was invented and adopted in honor of Maj. and Mrs. Gilbreth, pioneers in the field of time-motion study. The Gilbreths undoubtedly deserve all honor for their work but the cute idea of creating a new word by spelling an old one backwards became outmoded around the early stone age. The synthesis of terms like "therblig" not only adds mystery to an activity that needs to be kept simple in order to achieve the widest possible usefulness but raises a question as to the good sense of people who think up such monstrosities.

Insurance is sufficiently complex so that it needs no additional element of mystery through the invention of trick words. To too many laymen its language already sounds like double talk. Insurance language needs simplification rather than the addition of words which serve to mystify rather than enlighten the public.

PERSONAL SIDE OF THE BUSINESS

Walter Belford, former Minnesota field man, is now in charge of safety engineering at Kaiser shipyard No. 3, Richmond, Cal.

O. J. Arnold, president of Northwestern National Life, Minnesota state chairman of the fifth war loan drive, has appointed Charles F. Liscomb of Duluth past president of the National Association of Insurance Agents, as acting executive vice-president. Mr. Liscomb has been handling the war loan campaigns in Duluth and St. Louis county.

Harry B. Brown, Kansas state agent of Northwestern National, is a grandfather, a son having been born to his daughter Anita, wife of Lieut. (j.g.) Tom Croft, U. S. N. R.

Harold F. Sweeney, resident secretary and manager at Gulf's central department at Indianapolis, is making special necessary trips in an airplane which he has purchased. Recently he completed the requirements for unlimited flight. Last September he had completed preliminary training and was granted a student license which gave him a range of 150 miles from Indianapolis. He was trained at a field near Indianapolis which is being used for air cadets stationed in a college.

R. N. Davis, former special agent at Seattle for Crum & Forster, now a lieutenant in the coast guard, was married to Miss Dorothy Baughman of Sterling, Ill., at Seattle. The couple left for San Francisco, where Lieut. Davis reports

for sea duty. He has been stationed at Seattle in fire protection service on the water front.

Robert D. Watts of Beckley, W. Va., past president of the West Virginia Association of Insurance Agents, and member of the public relations committee of the National association, and Mrs. Blanche K. Austin were married in Beckley last week.

Charles D. MacKenzie, Illinois state agent of Twin City and Northwestern Fire & Marine, is in West Suburban Hospital, Oak Park, for observation. He was taken ill when he came in off the road last week.

W. Owen Wilson, president of Davenport Insurance Corporation, Richmond, has been named vice-chairman for the fifth war loan drive for Richmond. Mr. Wilson is a former president of the National Association of Insurance Agents.

A number of insurance men attended and took part in the assembly and convention of Rotary International at Chicago. The group included Paul Thorin, Swiss home office representative at the U. S. head office of Accident & Casualty; R. E. Vernor, Western Actuarial Bureau, and president of the National Fire Protection Association, who is the outgoing chairman of the international aims and objects committee of Rotary; Ernesto Bernal, Trinchera of Pinar del Rio, Cuba, an incoming district governor; Lance L. Booher, local agent at

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Aurora, Ind., an incoming governor; Paul W. Kridler, Fremont, past president Ohio Association of Insurance Agents, incoming governor; Louis L. Roth, St. Louis general agent in the credit department of London Guarantee, the outgoing president of the St. Louis Club and an incoming governor; Frank M. Stager, Sterling, Ill., incoming district governor; Col. N. W. Adams, Warren, O.

E. W. Hartney, office manager and chief underwriter of Royal-L. & L. & G. in Chicago, was struck by an automobile on his way home from the office this week and suffered a compound fracture of an ankle. He is in Woodlawn hospital.

DEATHS

Clinton P. Hamilton, 67, president of the Clinton P. Hamilton agency of Brooklyn, died at Peck Memorial Hospital. He was a member of the executive committee of the New York Fire Insurance Exchange. He had been in the insurance business 40 years.

George E. Palmer, 83, active as a local agent in western Massachusetts until the last few months, died at his home in Palmer, Mass. He entered the insurance business in 1903 and operated a large agency in Springfield, Mass., as well as in Palmer.

C. S. W. Donaghy, who retired four years ago after 42 years in the insurance business in Philadelphia, died from a heart attack. He started with Reliance and later became assistant in the investment division of Fire Association.

J. L. O'Keefe, 75, retired local agent of Richmond, died at the home of his son in Washington, D. C. He had represented National Liberty for 20 years. Previously he was assistant manager of Northwestern Mutual Life. He was for several years with the De Jarnette & Paul agency.

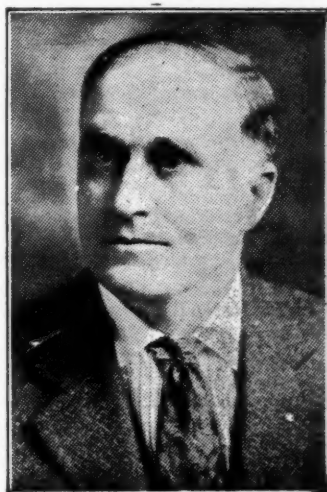
John Currie, 81, who was associated with the Davenport & Morris agency in Richmond from 1883 until it was dissolved some years ago, died there. For 60 years he had been active in Richmond civic life.

Henry Streuli, Sr., 82, associated with his son, William Streuli, until his retirement two years ago as local agent in Memphis, died there. He was a member of the local agency of Edmondson & Streuli for 30 years until his partner's death, when he became associated with his son.

G. W. Frank, 81, secretary of Washington Mutual Fire of Louisville, died at St. Anthony's Hospital, Louisville. He had been secretary 35 years.

Scott R. Benjamin 75, president of the New York insurance brokerage firm of Benjamin, Hastings & Shaw and a veteran of 50 years in the business, died after a prolonged illness. He started with Hartford Steam Boiler and 21 years later became Connecticut manager for Travelers. Later he organized the

S. D. Commissioner Dies Suddenly at 69



GEORGE K. BURT

PIERRE, S. D.—Insurance Commissioner George K. Burt of South Dakota, 69, died from a sudden heart attack Monday evening. The funeral is being held at his home at Watertown.

Mr. Burt was appointed commissioner in 1940. For the previous three years he had been chief examiner of the department. He had been in the insurance business about 30 years at Watertown. He was at one time editor of the South Shore "Republican." He had also been a banker and for two years was an examiner for the state banking department.

In the National Association of Insurance Commissioners Mr. Burt was chairman of the committee on unauthorized insurance and chairman of the subcommittee on group hospitalization and medical service.

Mr. Burt was born at Barkley, Pa., and was educated at State College, Brookings, S. D. He was at one time district manager of Modern Woodmen.

agency of Benjamin & Connor at Hartford and in 1907 the New York firm was organized. He was a director of Sun Indemnity, Sun Underwriters and Patriotic.

J. A. Berkman, 74, a broker in Chicago for 40 years, died there after a year's illness. For the past 18 years he had been associated with the R. W. Hosmer & Co. agency. Previously he had been with the Critchell, Miller agency.

William J. McGuirk, 52, who has been in charge of Royal-Liverpool's automobile business in New York City and the metropolitan area since 1936, died in Montclair, N. J., after a prolonged illness. He spent his entire business career with Royal-Liverpool, having joined L. & L. & G. in 1907. He served in

INSURANCE MEN IN ARMED SERVICES

Capt. Joseph E. Henry, Chicago, formerly territorial supervisor of Allstate, has been assigned by the war department office of dependency benefits as officer in charge of the regional field investigations office in Denver. After securing his LL.B. from Loyola University in 1929 and serving with the F.B.I., he practiced law for five years in Chicago before joining Allstate. He will check family allowance claims to protect the government from fraud.

David R. Goodell, special agent of the Yorkshire group in the Pacific Northwest, has entered the marine corps. Walter E. Bliss, formerly in that territory for North America, will devote a portion of his time to the Portland office, assisted by F. L. Tindell, coast manager, and others of the staff.

Lt. Weldon J. Allen, who has been awarded the distinguished flying cross as co-pilot of a Marauder in the 9th air force in England, is the son of T. J. Allen, Coleman, Tex., agent, who has three boys in the service. Lt. Allen was in insurance in Houston when he entered the air corps in 1942.

Sgt. William Megonegal, formerly with the North America agency department, has been awarded the air medal with oak leaf cluster, for distinguished service in combat flying missions over Germany. He was reported missing in action several months ago.

R. C. Raisbeck, formerly a rater with the Wisconsin Fire Insurance Rating Bureau, has been promoted to lieutenant commander in the navy. He is on duty at the 6th naval district headquarters, Charleston, S. C.

Lt. (j.g.) Earl Loose, former field man for the Fred L. Gray general agency, Minneapolis, has been ordered to St. Simon Island, Ga., for instruction in radio.

J. H. Gardner, Mount Vernon, Wash., agent, now with the army transportation corps in England, has been promoted to captain.

Hans Homeyer, former special agent in Minnesota of American Surety, has been commissioned an ensign in the navy. He is succeeded by George R. Holmes, St. Paul, who has been with Atwell, Vogel & Sterling in inspection and auditing work. He will cover northern Minnesota and North Dakota.

John A. Buxton, president of Mutual

various departments before taking charge of the metropolitan automobile department. He was a charter member of the Royal-Liverpool Guards and was president of that organization in 1941-43. He was active as chairman of the Royal-Liverpool Guards service men's committee and up until his last illness he was tireless in his letter-writing to employees in service.

J. T. Jacobsen, 69, local agent at Racine, Wis., died after a brief illness.

Elbert S. Orgain, 54, Bastrop, Tex., local agent, died in a Dallas hospital following a major operation.

Implement & Hardware, Owatonna, Minn., has been promoted from major to lieutenant colonel in the army. A veteran of the former war, he was called to active duty in March, 1942 and has been stationed at Fort Snelling.

R. J. McFerran of Chicago, former general inspector and engineer for General of Seattle, in the central west, who is now in the naval service in New York City, has been promoted to a lieutenant. He is assigned to the division that is looking after the New York City water front.

V. J. Willey, formerly with E. H. Crump & Co., Memphis, now a B-17 pilot in England, has received the air medal after 10 months of service in the AAAF.

Two former members of the staff of the Cook County Inspection Bureau have been honored in the European war theater. Lt. Don Ford recently was mentioned as commander of a combat engineering detachment which salvaged a vital Italian bridge under heavy fire and Sgt. Myles Sullivan, tail gunner in a Flying Fortress, was awarded the air medal for conspicuous bravery in missions over Germany.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. La Salle St., Chicago, May 22, 1944.

	Par	Div.	Bid	Asked
Aetna Cas.	10	5.00*	130	135
Aetna Fire	10	1.80	50	52
Aetna Life	10	1.40*	36 1/2	38
Amer. Alliance ..	10	1.05*	20 1/2	22
Amer. Cas.	10	.60	11 1/2	12 1/2
Amer. Equitable ..	5	1.00	15	16 1/2
Amer. Home	10	...	10	11
Amer. (N. J.) ..	2.50	.60*	15	16
Amer. Surety ..	25	2.50	56	58
Balt.-Amer.	2.50	.30*	6 1/4	6 3/4
Boston	100	21.00*	545	560
Camden Fire	5	1.00	20 1/2	21 1/2
Contl. Cas.	5	1.60*	39	41
Contl. N. Y.	2.50	2.00*	44	45
Fidelity-Phen.	2.50	2.20*	49	51
Fire Assn.	10	2.50*	60	62
Fireman's (N.J.) ..	5	.40	12	13
Fireman's Fund ..	10	3.00	84	86
Franklin Fire ..	5	1.00	24	25 1/2
Glens Falls	5	1.85*	42 1/4	44 1/2
Globe & Repub. ..	5	.50	8 1/2	9 1/2
Gt. Amer. Fire ..	5	1.20*	26	27
Hanover Fire ..	10	1.20	25 1/2	26 1/2
Hartford Fire ..	10	2.50*	97	106
Home (N. Y.) ..	5	1.20*	27	28
Ins. Co. of N. A. ..	10	3.00*	82	84
Maryland Cas.	1	...	7	7 1/2
Mass. Bonding ..	12.50	3.50	64	66
Natl. Cas.	10	1.25*	23 1/2	25
Natl. Fire	10	2.00	56	58
Natl. Liberty ..	2	.30*	6 1/4	6 3/4
Natl. Un. Fire ..	20	5.00*	172	176
New Amst. Cas. ..	2	1.00	25	26 1/2
New Hamp.	10	1.80*	44	46
North River	2.50	1.00	22	23 1/2
Ohio Cas.	5	.70	23 1/2	25
Phoenix, Conn. ..	5	3.00*	78	80
Preferred Accl. ..	5	1.00*	15	16
Prov. Wash.	10	1.40*	32	33 1/2
St. Paul F. & M. ..	12.50	2.00*	63	65
Security, Conn. ..	10	1.40	35	36 1/2
Sprgfd. F. & M. ..	25	4.75*	117	121
Standard Accl. ..	10	2.50	61	63
Travelers	100	16.00	475	485
U. S. F. & G.	10	1.50*	37	39
U. S. Fire	4	2.00	46	48

*Includes extras.

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WASHINGTON
LONDON

"PREFERRED"...

AS DEFINED BY THE DICTIONARY:

"Set above or before in estimation or favor; regarded or honored before another; held in greater favor; liked better."

THE record of "PREFERRED" performance for 59 years has made this a living definition.

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of policyholders and has cemented the mutually profitable relationship between the Company, its Agents and Brokers—a large majority of whom have been "Preferred Producers" for a long period of years.

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Boiler Insurers Come to Terms on Uniform Manual

**Effective Date Is July 3
—Business Is Frozen
as of May 15**

Agreement has at last been reached on the part of the National Bureau of Insurers and Hartford Steam Boiler upon a boiler and machinery manual and a rate schedule that is intended for uniform nation-wide use effective July 3. Some time ago the bureau and Hartford were able to come to terms on a manual for use in New York state but Hartford balked at the use of this manual elsewhere and the deliberations have been continuing.

The new manual embraces a number of compromises. The most important point on which Hartford is giving ground is equity rating. Final decision is that equity rating shall be continued in those states in which it is permissible. Hartford Steam Boiler had strongly opposed this procedure.

The rates in new manual are understood to represent an increase of about 15%, the boiler rate being about 8% higher and machinery 20%.

Present Business Frozen

In order to prevent wholesale cancellation and rewriting of boiler and machinery policies at this time to hold on to the old rates for as long as possible, the business on the books as of May 15 has been frozen. Last year virtually all of the boiler and machinery business in the country was canceled and rewritten for a four year term and then in March of this year a great deal of the business was again canceled and rewritten when it became known that the companies were close to coming to an agreement for higher rates.

Under the new manual four year policies are abolished. The maximum term becomes three years.

The premium gradation plan of the National Bureau is retained rather than the Hartford's zone discount plan but the reduction on premiums of more than \$3,000 is 25% instead of 30%. The commission gradation provision is continued. Hartford did not have a commission gradation scheme in its premium zone discount.

Location Charges

Location charges are again made applicable in one city. After the first location, additional locations will call for an insurance charge reduced by 40% if all the locations are in the same city. Previously the bureau had made but one insurance charge for each city whereas Hartford had retained the old plan of an insurance charge for each location.

One of the great differences was whether to use the excess limits factor of the National Bureau or the insurance charges program of Hartford. The solution was to agree upon a combination of excess limits factor and insurance charges.

Taking one word from each side, the agreement is to refer to one type of cover as standard and another as broad. National Bureau has been calling its two covers, standard and extended whereas Hartford has used the terms limited and broad.

It was decided to include in the basic rate expediting coverage and bodily injury but to permit these coverages to

Canadian Approach to Multiple Writing Question

The minutes of a meeting of the subcommittee of the Insurance Superintendents of Canada that was held in Montreal last January on revision of definitions of classes of insurance has just been circulated. It contains observations that are pertinent to the current consideration in the United States of the question of multiple line writing.

H. D. McNairn, who was then Ontario superintendent, was chairman of the meeting. He suggested that the committee follow the principle of setting up classes of the widest possible scope, taking into account the present charter powers, methods of operation and contracts of the insurers and their ability to operate within the proposed new legislation. Also that legal provisions or statutory conditions should permit the greatest freedom of contract consistent with reasonable protection to the public.

Insurance Superintendent LaFrance of Quebec suggested that the revised classes be few in number. Douglas Barlow of Pratte & Cote, Quebec, expressed the belief that the law should not impose restrictions too onerous for the insured to bear or which would unduly restrict the coverages; that insurance laws should be directed at the enunciation of general principles of broad application in contrast to the principle of the present law of applying detailed regulations to individual perils, requiring frequent amendment to meet special situations. Mr. Barlow contended that the latter method had so limited the ability of insurers to issue broader and more comprehensive contracts, that it had become an impediment to progress and the offering of wider and more varied coverages. He recommended the creation of four or five classes only and that statutory provisions relating thereto should contain statements of general principles and wide applications, that provisions dealing with individual perils should be included only where necessary.

The committee decided first, to draft a schedule of classes of insurance for licensing and deposit purposes after which consideration would be given to the statutory provisions which should apply. A grouping of classes was taken up for discussion purposes.

There would be, first, insurance of the person, which would include life

(CONTINUED ON PAGE 27)

be removed by a percentage reduction. These coverages had been included in the bureau basic rate but with no provision for eliminating them.

Under the old plan the adjustment for instalment payments was the last step after all other premium computations had been completed. Under the new plan the premium gradation adjustment becomes the final step. This will have the effect, it is believed, of eliminating the 5% penalty for instalment payments. In the past the assured got no credit under premium gradation plan for the penalty payments.

Also under consideration at this time is a proposed new policy for simplifying the insuring of the smaller risks. It is modeled upon the standard provisions automobile policy with provision that the contract insures so many and such hazards as those for which an amount is inserted in the space for such coverage. This compares with the present method of writing in "excluded" or "included" and then lumping the premium. Under the proposed policy there will be a breakdown of the premium and the schedule of insured objects will be discontinued for most objects. The definition of accident and object would be included in the policy itself instead of in the separate schedule.

Answers CAB Criticisms

**Beebe of U.S.A.U. Replies;
Asks Comments to
Be Included in Report**

WASHINGTON, D. C.—Defending foreign participation in the American aviation insurance market and pointing out many alleged inaccuracies in the report of the Civil Aeronautics Board on aviation insurance, U. S. Aviation Underwriters has replied to CAB in a letter from David C. Beebe, chairman. The 7-page criticism of the CAB report was circulated here as "Comments."

In its report CAB charged U. S. Aviation Underwriters and two other groups with "dominating" the aviation insurance market, and criticized foreign participation. This subject was expected to be touched on in the Senate judiciary subcommittee this Saturday at further hearings on the Bailey-Van Nuys state's rights bill.

U. S. Retention Greater

Effective this year, Mr. Beebe states in his letter, American aviation underwriters have further increased net retention of aviation premiums and reduced the amount of reinsurance ceded. The critique minimizes dangers to national security and otherwise from disclosures to foreign participants. Discontinuance of foreign reinsurance would accentuate such danger, the U. S. A. U. letter says, because foreign insurers would become more active competitors for direct insurance of aviation risks. Furthermore, it is predicted, foreign retaliation would follow against American insurers seeking to follow the flag of American aviation abroad.

"International trade can only be conducted successfully on a basis of reciprocity," says the letter. "If a prejudice is fostered against the participation in American aviation insurance by foreign admitted companies (none of which are members of our group) and the American aviation insurance industry should be closed to foreign reinsurers, these steps will not prompt foreign interests to send their insurance or reinsurance business to the United States."

"It is our belief that American air carriers, engaged as they will be after the war in extensive international flying, will be best served by an American aviation insurance market which is likewise international in its scope."

Needs Freedom to Expand

"After the war we have every hope and expectation that the American market, if left free to do so, will become a large factor in the international reinsurance field, both by way of direct insurance and the exchange of reinsurance. This will not be possible, however, if we are not ready to give as well as take."

The letters tell of U. S. aviation's expansion into Canadian, Latin American and far eastern business, premiums paid by foreign assured totaling over \$2,000,000 for the five years 1939-43. However, war conditions have interfered with further expansion.

Asking that his letter be included as a supplement in the CAB report, Mr. Beebe discusses, in 12 sections, numerous statements and conclusions of CAB.

He declares that several CAB statements concerning lack of state supervision of aviation insurance are "not true." The letter states that the New York insurance department has made a number of investigations and reports and is now engaged on another one. Policy forms are filed in a majority of states and approval obtained, Mr. Beebe declares. Required data is filed for acci-

Comprehensive Personal Liability Policy Broadened

**Liability and Property
Damage Under Single
Limit, Rate Cut to \$10**

NEW YORK—The National Bureau of Casualty & Surety Underwriters and the American Mutual Alliance have issued the revised comprehensive personal liability policy, which has been on the fire for several months. It departs sharply from older liability forms in that bodily injury and property damage liability are combined into a single insuring clause and there is a single limit per accident, with no limit per person and no separate property damage liability limit.

Medical payments coverage, including employees, and employers liability are also combined into the basic coverage, medical payments being limited to \$250 per person. The premium for the entire coverage is \$10, with a limit of \$10,000 per accident. If there is incidental professional, studio or office occupancy of the premises, the premium is \$15.

Servants Included

The basic \$10 premium applies unless the assured employs enough regular or occasional servants to aggregate half the employment time of one servant. If the total employed time is between that of half and one and a half servants, the additional premium for one servant is charged, and so on.

As before, the policy covers the liability of the named assured, spouse and relatives living with them. The medical payments coverage applies to accidents away from the premises involving animals owned by the assured. For an additional premium, it may be extended to cover accidents arising out of the insured's personal acts away from the premises. It applies without extra charge to accidents occurring on premises not owned by the assured where he is temporarily residing and on vacant land owned by the assured.

The schedule personal liability policy was not affected by the change, but it is assumed that it will fall into disuse, with the reduction in comprehensive personal liability premiums and the broadening of coverage, except for an occasional golf or sports liability risk.

The National Bureau is now working on some simple inexpensive method of providing liability coverage for an individual in the course of his business duties. It will probably be some time before the problems surrounding this can be worked out, but the final result is hoped to be complete liability insurance for an individual.

Workmen's compensation is subject to extensive state regulation. Examiners of several states have visited the company offices. The letter states, however, that a number of states have deferred requiring filing or exercising supervision "upon our plea that supervision should be centered in New York" for the time being.

Plenty of Supervision

Denying that New York supervision has been limited to the Board of Aviation Underwriters, Mr. Beebe says examiners have made examinations in the

(CONTINUED ON PAGE 28)

FEATURES OF LIABILITY AND HULL INSURANCE BROUGHT OUT

Survey of All Aviation Coverages

By LESLIE A. N. PARTRIDGE
Deputy Manager, Eastern Branch
Aero Insurance Underwriters

While most aircraft owners are likely to think first of insuring their physical property against loss, financial loss through bodily injury or property damage claims may far exceed the value of even a very costly airplane.

Aircraft liability coverage is particularly necessary because certain widely scattered states have adopted laws wherein the operator of an aircraft is held absolutely liable for accidents occurring as a result of the operation of the aircraft. In some states these laws do not take into account the possibility of negligence on the part of the third party. The operator is absolutely liable.

States with "absolute" aircraft liability laws are as follows:

Ariz., Ark., Del., Ga., Hawaii, Ida., Ind., Md., Mich., Minn., Mo., Mont., Nev., N. J., N. C., N. D., Pa., R. I., S. C., S. D., Tenn., Utah, Vt., and Wis.

Potential Damage Is Huge

The aircraft owner needs liability insurance more urgently than the automobile owner, for the possibility that an accident would cause very substantial injury to third parties or damage to their property is very much greater. Cars, of course, are confined to roads and other thoroughfares whereas the accidental descent of an aircraft is not so defined. Oftentimes the catastrophe is quite sizable. Entire families asleep in their dwelling have been killed or injured by falling aircraft.

Another visible aircraft hazard covered under an aircraft liability policy is the whirling propeller on an aircraft at an airport. The airplane propeller is a particularly dangerous instrument. In the sale of liability insurance this point, because of its common appeal, should be stressed.

With respect to the actual coverage afforded under an aircraft liability policy it is necessary to understand that aircraft liability, unlike automobile liability, is written in three sections instead of two. Passengers are not covered under the public liability (bodily injury) section of the policy. This is a separate coverage. The three sections of an aircraft liability policy are public liability, excluding liability to passengers, passenger liability and property damage.

Reasons for Division

With a little thought the reason for the division of coverage into these three classes becomes evident. The public and passenger are always exposed to a possible automobile hazard. The public is only exposed to aircraft liability at three locations, the place of take off, the place of landing, and the possible point of forced descent. The passenger on the other hand is always in the aircraft and consequently always subject to the aircraft exposure.

In addition, under the aircraft liability policy the expense of defense of any suit, whether groundless or not, is completely covered. Additionally, expense for the immediate surgical aid at the time of accident or expenses incurred for inspection, negotiation and defense of suit, plus premium for any type bond required, or for the interest accruing on the full amount of any judgment, or any suit are covered under an aircraft liability policy. Under the term "additional assured" the coverage is extended to include not only the named assured, but also any other person while riding in or any approved pilot while operating the aircraft, or any person legally responsible for its operation, provided such operation is with the permission of the named assured.

EXCLUSIONS

General liability exclusions are:

a) Liability covered by workmen's compensation.

b) Liability for injuries or death suffered by the employees of the assured in the course of their employment.

c) War, invasion, hostilities, act of foreign enemies, rebellion, insurrection, military or usurped power.

d) Unlawful use of the aircraft if the use is with the knowledge of the assured.

e) Aircraft being used for purposes other than those specified in the policy.

f) Violation of the terms of the Civil Aeronautics Authority airworthiness certificate of the aircraft.

g) Closed course racing or other flying on which a waiver by the Civil Aeronautics Authority is necessary.

h) Violation of the Civil Aeronautics Regulations with respect to acrobatic flying, instrument flying, repairs, alteration and inspection, night flying, minimum safe altitudes, student instruction.

The present rate for basic limits of public liability \$5/10,000 is \$35 for private uses, \$55 for commercial uses. Passenger liability is written on a per seat basis, the rate per seat decreasing as the number of seats increases, for the ship will be flown with an average number of passengers rather than with a maximum number over a period of time. Pilot, co-pilot, and members of the crew are excluded under the definitions of the term "passenger." If, however, the owner of an aircraft lends his ship to a pilot, his liability to such pilot or any passenger is covered under the passenger liability section of the policy. Rates for passenger liability vary from \$50 to \$100, again depending upon the use, for a basic limit of \$5,000 per seat. Property damage costs \$35 for \$1,000 on a private basis. For commercial uses the rate for the basic limit is \$55.

Higher Limits Available

Of course, all these limits may be increased to any extent desired. The aircraft increased limits table differs considerably from those used in other lines of insurance. In view of the liability imposed by the varying state laws, it is imperative that adequate coverage in substantial limits be carried. So far the majority of third party claims have occurred while on the ground. These claims arise from taxiing, accidents with resultant collision, forced landings, damage done to crops and fencing, propeller accidents and the like. With the advent of an increased number of aircraft there will undoubtedly be additional mid-air collisions and forced landings in populous places. The responsibility of an aircraft operator will tend to increase, rather than decrease, as the aviation industry grows.

Today, there are very few aircraft that could not be covered under an aircraft liability policy. Of course, with such operations as crop-dusting, parachute drop testing, experimental test flying and sky writing, a substantial increased premium is obtained. With the advent of the super-airliners of the future extremely high limits of passenger liability will be required. A 40-passenger ship, with a \$10,000 per person limit would develop a top exposure of \$4,000,000. It is quite conceivable that such limits will exhaust the available aircraft liability market as presently constituted.

Airport Coverage

Another form of liability required by all aircraft operators is written under an airport liability policy. This policy covers O. L. & T. liability of the owner or operator of an airport to third parties as a result of his operation. Since the exposure includes operations varying from serving light lunches to direction

of \$100,000 aircraft, there are a great many considerations involved in the rating of an airport risk. The premium for basic limits (which are P. L. \$5/10,000 and P. D. \$1,000) ranges from \$50 to \$400 on the public liability section and from \$25 to \$200 on the property damage section, dependent, of course, on the physical properties of the airport, the facilities offered and the congestion of the particular field. It is interesting to note that products liability is included under the airport liability policy. This form of policy can be extended for an additional premium of 10% to include "off premises" coverage. One of the exclusions under an airport liability policy is air meets or flying exhibitions for which an admission charge is made. Therefore, it is necessary for the underwriters to offer a separate liability policy to cover this contingency, an air meet liability policy. Inasmuch as there is quite a congestion, with a resultant concentrated exposure, and since the meet is a "one shot" proposition, the rate is necessarily high and depends on the schedule of events, the number of aircraft, the experience of pilots, the attendance expected, the "know how" of the management and the seating capacity of the bleachers or grandstands.

Another liability coverage required of an airport operator is hangar keeper's liability. This covers his liability with respect to property of others in his care, custody and control. The operator has no direct insurable interest in such property, but he does have a responsibility to third parties who leave ships in his control. By law, certain liabilities accrue to a hangar keeper in the same fashion that a garage owner is liable for automobiles in his custody. The aviation underwriters afford this coverage on a named peril hull policy. Various perils can be provided but fire coverage must be taken. The basic rate applied against the maximum amount of insurance required on any one location is 1.2%. As the exposure increases the rate decreases in accordance with a prescribed underwriting table.

Admitted Liability Insurance

A type of liability insurance peculiar to the aviation field is admitted liability insurance. This coverage enables an owner of an aircraft (usually an industrial aid ship) to afford accident protection on any person riding as a passenger in the specified aircraft. Under the terms of the admitted liability, underwriters provide coverage in a specified amount to be proffered to the beneficiary of the deceased passenger. In the event that the payment is not accepted, and a full release of liability received, the admitted liability then becomes basic legal passenger liability in the amount purchased. When admitted liability is sold, there is requirement that legal passenger liability shall be purchased in the same or greater amount than the admitted liability insurance. This legal passenger liability becomes excess to the admitted policy if a release is not forthcoming when the gratuitous payment is tendered by the company. The company then defends the assured in the amount of both the admitted policy and the legal passenger liability policy. The defense is for the combined limits of the two policies. Of course, since the legal passenger liability is only excess insurance, premium is only computed on an excess limits basis.

In addition to the aforementioned liability contracts, aviation underwriters provide such coverages as products liability, contractual liability and other kindred forms.

From the inception of the aviation insurance business personal accident insurance has been one of the coverages most in demand. Those pilots whose sole ability to make a livelihood de-

pends upon their flying and neophytes with their caution concerning aviation, both desire this type of coverage.

Aviation accident insurance covers an extreme range from passengers on scheduled airlines to test pilots of experimental aircraft. The rate varies from \$1.20 for \$1,000 death and dismemberment to \$10 for \$1,000 death and dismemberment.

Some of the hazards with the premiums charged per \$1,000 are as follows:

Passenger—approved scheduled airlines, \$1.20; passenger—scheduled airline, world-wide, \$3.60; passenger—military aircraft, U. S. and Canada, \$4.80; passenger—military aircraft western hemisphere, \$7; student or private pilot (restricted form), \$5; student or private pilot (broad coverage), \$10; student or private pilot, ground and air accident protection, \$12.50; commercial pilot (broad form), \$14; commercial pilot, ground and air protection, \$17.50; glider pilots, double above rates.

Test pilots are specifically rated according to air craft involved. In addition to these coverages on an individual basis, aviation accident insurance has been written on a group basis at group rates. There are three principal basis for premium computation. One is on a flat annual basis, air rates similar to those quoted on the individual risk. The second is on a flying hour basis, and the third is on a percentage of the airline fares paid. Sometimes a combination of two or more of these methods is used. Of course, consideration for this type of rating is only granted in those cases where there is a substantial premium involved.

As in other types of coverage, airline operators are required by law to carry workmen's compensation or employers' liability insurance.

Under compensation there is a high percentage of fatalities with respect to pilot employees. Therefore, the pilot rate is very substantial. The sections of the compensation manual which cover flying personnel are 7404, 7406, 7407, 7408, 8858 and 8810. Compensation on aircraft risks is written through the aviation insurance market and is rated and handled in the same fashion as compensation on other lines. It is interesting to note that certain aircraft accounts have reached the stage where a very substantial saving is effected through one of the present retrospective rating plans.

HULL COVERAGES

Aviation hull insurance can be written on a wide variety of forms. A good insurance agent or broker can prove his worth to his client by selecting the most advantageous form.

Fire insurance is naturally the biggest individual hazard. By its nature an aircraft is highly volatile. Dope used on fabric, taking on fuel, oil, welding and soldering, carelessness and congestion in connection with some operations all contribute to the fire hazard.

Under coverage No. 7 (fire under all circumstances) we exclude fire following crash. We feel that it is impossible to determine damage done by a cash and the damage caused by the resultant fire. We have, however, extended our coverage to include lightning, explosion, self-ignition, and transportation, provided damage is done to the vehicle actually transporting the aircraft.

Basis of Rates

Our rate for fire under all circumstances is 2.25% basically and 0.34% for the loading rate. This type of rate quotation may appear unusual. The base rate is applied against the insured value of the aircraft. The loading rate is applied against the difference between the insured value and the list price.

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Thus, if we were insuring a ship which originally listed at \$1,500 and is now valued at \$1,000, we would apply our 2.25% rate against the \$1,000 to obtain a premium of \$22.50 and apply our loading rate of 0.34% against the \$500 difference between \$1,500 and \$1,000 to get an additional charge of \$1.70, or a total annual premium of \$24.20.

The next form shown on our rate chart is "named perils—ground only plus fire in flight," again excluding fire following crash. This covers windstorm, land damage, theft and fire under all circumstances. These coverages can be taken in conjunction with our fire coverage, and a policy covering fire and windstorm only can be written, but the basic rate would be 2.75%. For the complete named-peril—ground-only coverage we charge 3% basically and three-quarters of 1% as a loading rate.

Extended Coverage

Of all perils covered hereunder, windstorm is the most hazardous. Often in areas of frequent or gusty windstorms underwriters are forced to place a deductible on this coverage. It has been extended to include hail, rain, sleet, snow, earthquake, flood, water and collapse of hangar, shop or other similar structure.

The next peril in point of hazard is land damage, which is described as damage while the aircraft is on land but not in flight, caused by collision with another object, but excluding damage caused by windstorm. This peril includes such losses as chewing of tail surfaces by another airplane, a collision with a truck or other object while on the ground, and similar losses. Taxiing, not for the purpose of take-off or in completion of a landing run, is covered under this peril.

If a ship is taxiing out to the runway preparatory to take off and a loss occurs, this is covered under the land damage feature. Upon reaching the runway and moving forward to take off, any loss occurring would be considered as crash. Similarly, upon landing an aircraft, is considered to be in flight until the landing run has been completed and the assured makes a controlled turn to taxi to the hangar. While taxiing from the point of turn until arrival at the hangar coverage is afforded under the land damage feature.

DISTINCTION VITAL

It is very important for the agent to keep the distinction in mind and apprise the assured of it, for it is necessary in order for underwriters to accept crash cover to impose either a deductible or a participation on each and every crash loss. Under section 5, named perils, ground and air, there is a 10% deductible with a minimum deductible of \$100 on every loss due to crash, including fire following crash. In view of this deductible it may appear that the crash rate of 10% is extremely high. However, 12 years ago the crash rate was a full 20%.

The all-risk ground-only policy, which includes fire in flight but excludes fire following crash, costs one-half of 1% more than the named perils ground-only. The difference is that under the latter we are covering only the perils listed while under the all-risk form we cover everything except what is specifically excluded.

Losses covered under the all-risk ground-only form and not under the named-peril form include such occurrences as safely landing on a frozen lake, with a subsequent collapse of ice and immersion of the plane; battery acid damage, damage by rodents making nests in aircraft and other extraordinary occurrences.

General conditions and exclusions are identical under both policies except that under the all-risk policy it is necessary to exclude wear, tear, deterioration or conversion, mechanical breakage or structural failure. The resultant damage, however, is covered under the policy.

All-risk coverage including air perils can also be provided. Here again crash

Optical Men Show Interest

Donald K. Weiser, assistant manager of Aetna Casualty, Chicago, discussed "Special Insurance Problems of the Optical Wholesaler" at the annual convention of the Association of Independent Optical Wholesalers in Chicago last week. Mr. Weiser outlined the various insurance needs of optical wholesalers. The question and answer session indicated that their keenest interest was in liability coverage, particularly malpractice. They also are quite interested in business interruption insurance. Several stated that it is practically impossible to have a total loss in one of their establishments, but that a partial loss could stop operations at a time when all of them are making substantial profits. Comprehensive liability coverage made a strong appeal to those attending the convention.

Thomas Skeen, General Casualty, represents insurance on the commission which is drafting a new Seattle elevator code. C. N. Young, Aetna Casualty, is alternate.

is defined the same as in the named-peril form and a deductible or participation is mandatory. We will either write the flight coverage on a 10% deductible basis or on a varying participation basis.

As to the difference between a deductible and a participation, a deductible of course indicates the initial amount of any loss that is to be borne by the assured. On a participation basis, the assured and the company agree as to the percentage to be borne by them respectively. This factor is predicated on the pilot's experience and the ability of the assured. Where a private pilot has more than 200 hours, the company will grant a 20% participation. For the same rate on a commercial operation or a flying club the participation is 33⅓%. On exceptionally hazardous risks, the participation rises to 40%. This is the percentage borne by the assured on crash including fire following crash. We consider a 10% deductible to be equivalent to a 22½% participation.

THEFT COVERAGE

The theft peril provides the underwriters with many nuisance claims. Foremost among aircraft equipment that is most susceptible to theft are fire extinguishers. Next is radio equipment. Compasses are also readily detachable.

When a seaplane or an amphibious craft is insured the mooring peril is covered under the land-damage type of contract. Mooring includes damage not only while moored but while launching, or hauling up, and including taxiing. Because of the high degree of hazard the rate is substantially higher than for land claims, a difference of 1½ percentage points.

Regarding the general conditions and the exclusions in the named-peril policy, aviation underwriters have instituted a practice peculiar to that branch of the business. We say that our liability shall not exceed the actual cash value at the time of any loss nor what it would then cost to repair or replace the aircraft. Thus, there are three stopgaps. First, we have the stated amount subject to the actual cash value at the time of loss and subject again to the cost of repair or replacement. The option is with the company in connection with loss settlement on any of these three bases.

Mandatory Depreciation

As a subsection to this condition we insist on a mandatory depreciation in the event of a total loss. This is 20% for new aircraft and 15% for used machines. A ship more than three months old is considered used. Another sub-

(CONTINUED ON PAGE 27)

Soldier in Aleutions Contributes Idea

The idea for the new "You can't turn back one careless second" poster which is being used by the engineering de-



partment of Employers Liability, came from Staff Sergeant Lloyd E. Allen, III, former actuarial department clerk, who has been stationed in the Aleutians for two years. Sgt. Allen was one of the first men of Employers to enter service. Harold T. Young, personnel department superintendent of Employers, recently received a letter



LLOYD E. ALLEN III

from Sgt. Allen in which he remarked, "the other evening I happened to think of something that might be used by our company. We could show a picture of a clock and a powerful man in laborer's clothes trying to turn back time. He realizes that suddenly it is too late. Under the picture we could say, 'You can't turn back one careless second.'"

The engineering department's artist got busy, and the poster has been sent to thousands of factories throughout the country, and is also being used in miniature form as a payroll envelope insert and distributed to thousands of defense workers.

Kloppenburg Is Whittier Speaker

Otto Kloppenburg, Los Angeles special agent of Hartford Accident, addressed the Whittier Insurance Exchange on burglary and plate glass coverages as applied to a hypothetical risk.

Edward C. Stone, U. S. general manager and attorney of the Employers group, was given by President Marsh of Boston University the honorary degree of doctor of laws. He was graduated from the university magna cum laude with the degree of LL.B.

Urges Similar Action on Drivers Handicapped by War

The Association of Casualty & Surety Executives has made public a recently adopted resolution pledging its member companies to underwrite automobile liability insurance for the physically disabled on the same basis as for the general public and urges that other automobile liability carriers take similar steps.

The resolution explains that since the war effort, in industry as well as on the fighting fronts, has produced and will continue to return to peacetime pursuits an abnormal number of physically handicapped individuals entitled to the utmost consideration, to enable them to resume a normal and useful existence, the company members of the association resolve to adopt the underwriting principle that, with due regard to public safety, automobile liability insurance will be made available to physically handicapped individuals on the same basis as is provided for the public generally.

General Counsel Ray Murphy has written each insurance commissioner urging state departments to secure a similar action by all licensed companies in their states and has stressed the fact that the association will be glad to cooperate in the purposes of such resolution in letter and spirit. Motor vehicle commissioners have been advised of the action and urged to give thorough study to the subject, especially with regard to the licensing of drivers. Undoubtedly the matter will be considered by the National Association of Insurance Commissioners at the annual meeting in Chicago in June.

Miss MacCubbin in Indianapolis

Miss Clara A. MacCubbin, U. S. F. & G., Baltimore, first vice-president of the National Association of Insurance Women, before the Indianapolis association, outlined the National Association program and the value of membership. She said the national body now has approximately 7,000 members. A number of the members of the Louisville association attended. Miss MacCubbin also made an informal talk to the office staff of the Indiana branch office of U. S. F. & G.

The eight-hour school on fidelity and surety bonds, sponsored by the Indianapolis association, held its first session Friday evening. Ben R. Turner, Jr., Indianapolis manager of Fidelity & Deposit, was the instructor. There will be three more sessions on succeeding Friday evenings.

Miss Helen Mulligan Resigns

Miss Helen V. Mulligan has resigned as assistant treasurer and supervisor of the accounting and statistical departments of Employers Mutual Casualty, Des Moines. Miss Mulligan has been active in the Insurance Accounting & Statistical Association and the National Association of Mutual Insurance Companies. Miss Mulligan will announce her future plans after a vacation in the west.

Hear Packwood, Costigan at K. C.

At the May meeting of the Kansas City Association of Accident & Health Underwriters sales hints on selling accident and health insurance were given by F. Glenn Packwood, manager Massachusetts Bonding, and Robert J. Costigan, Missouri manager Business Men's Assurance.

P. J. Walsh with Denver Agency

DENVER—Peter J. Walsh, who has been an underwriter in the home office liability department of Zurich has become connected with the Van Schaack & Co., agency here. Mr. Walsh was with Globe Indemnity for about five years in Chicago and Illinois before going with Zurich two years ago.

ACCIDENT AND HEALTH

New Edition of Time Saver Is Nearly Ready

Keeping pace with the many and rapid changes in accident and health policies, the new 1944 Time Saver describes such contracts as a new aviation world travel coverage, released recently by two leading companies, and unusual policies like the equestrian medical reimbursement policy now being sold. A feature of the latest edition of the Time Saver, which will be off the press in a couple of weeks, is the description of those accident and health policies which are written by certain companies only with life insurance. These policies are completely shown for the first time in the 1944 book.

The Time Saver contains an unbiased, impartial analysis of the commercial accident and health policies of the leading companies. More than a thousand policies, riders, and endorsements are described and analyzed with rates shown for every age. Non-can-

celable policies are described. Expense reimbursement policies and hospitalization forms when written individually (not group) are included, as well as family hospitalization contracts.

Every policy of a company is explained, not just a few so called leading contracts, so limited policies and contracts written by mail order companies are in the 1944 Time Saver. All provisions of the policies are shown, including limitations or exclusions. The Time Saver is compiled and sold by the National Underwriter Company, 420 East Fourth street, Cincinnati 2, O.

Is Handy Reference Work

The new edition containing 1,036 pages is attractively bound in limp karatol and is printed on bible-thin paper. Priced at \$4, the book provides a handy inexpensive reference of the commercial accident and health business, for it includes in addition to policy descriptions, financial statement figures, showing assets, surplus, capital, premiums written and losses paid for hundreds of disability companies. It contains list of officers of companies and other miscellaneous information. The Time Saver has a section explain-

ing the disability clause provisions of life insurance policies.

Disability salesmen devoting full or part time to accident and health selling thus get accurate detailed descriptions of policies of other companies from the Time Saver.

Last year's edition of the Time Saver was completely sold out and late orders could not be filled.

Ferguson, Davis Co. Opens in Chicago

Ferguson, Davis & Co., Chicago, has been named manager of the new Blue Ribbon department of American Casualty which will write a complete, new line of accident and sickness policies which the two principals, Z. Garland Ferguson and J. Nat Davis, have designed. For the present, the new Blue Ribbon department will operate in eight mid-western states. Headquarters are at 1 North La Salle street.

Both Mr. Ferguson and Mr. Davis have been assistant managers of Washington National's special accident department. Mr. Ferguson started with the old Continental Life of St. Louis in 1930, serving as assistant manager of the accident and health department. He went with Washington National in 1933. Mr. Davis was assistant manager of Continental Life's accident and health department from 1928 to 1934. He was then examiner for the Missouri insurance department before going with Washington National in 1936.

Complete Line of Policies

The Blue Ribbon line will consist of a complete kit of accident and sickness coverage, including door-openers, coverage on housewives, children and retired persons up to age 70, hospitalization on individuals and family groups as well as regular group and franchise policies. Three special forms will be featured, the Blue Ribbon "champion" for select men and women risks, the "leader" for AAA, AA and A men, and the "challenger" for employed women and B male risks.

All three policies are written on the "tailor-made" principle, providing basic death, disability, dismemberment coverage, physicians' service indemnity, elective indemnities, and financial aid, to which may be added medical expense, hospital and nurse for 90 days, three schedules of surgical indemnities, non-occupational accident and full indemnity for non-confining sickness.

The "champion" provides partial disability for 12 months, life-time annuity for loss of both hands or feet or eyes, full year indemnity for non-confining sickness, additional four years for confining sickness and for each year policy is renewed two months confining sickness is added up to 12 months.

All policies have accidental bodily in-

jury clause, qualified incontestable clause for sickness, 10-day grace period for payment of renewal premium, and are non-cancellable for term of premium plus grace period and non-prorating by recent change in occupation.

Policies on women cover women's diseases except conditions arising from pregnancy. None of the three policies has restrictions on residence and travel as far as accident and any sickness in U. S., Canada or Europe is covered. All provide double indemnity and air travel coverage.

Medical Group Rebukes LaGuardia

NEW YORK—Speaking for the Queens County Medical Society, Dr. W. Guernsey Frey, president, has requested Mayor LaGuardia "to meet with the official representatives of the five county medical societies before any decisive steps are taken" in the organization of the mayor's proposed health insurance plan.

Dr. Frey said that in announcing the plan over the municipal broadcasting station, LaGuardia stated it was the result of study by the mayor's committee on medical care and its subcommittees. "The plan, as you offer it, was not presented to the medical advisory subcommittee on which were included representatives of the New York, Kings and Queens County Medical Societies," Dr. Frey asserted.

"We are certain that no plan of medical insurance can provide a proper quality of medical care which denies the patient free choice of a physician from among the reputable physicians of his community." Not only did the medical subcommittee receive no inkling of the plan, but it met with no success when a request for consultation before the broadcast was filed with the mayor by Dr. J. Stanley Kenney, chairman of the subcommittee and former president of the New York County Medical Society.

The institution of a closed panel system, limiting participation to a chosen few, would seriously undermine the present high quality of medical care and would deter qualified physicians from practicing their profession in New York, the letter stated. It indicated the published criticisms of the plan by Dr. W. B. Rawls, chairman of the economic committee of the five county medical societies, were those also of the medical representatives of the subcommittee.

LaGuardia said Dr. Frey was entitled to a hearing and a conference would be held soon.

Group Health Physicians Resign

WASHINGTON—Group Health Association, a health insurance or medical cooperative of government employees,

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It's paving the way to Victory!...eager cooperation between the men who fire the guns, and fly the planes, and sail the ships...unstinting cooperation between men in uniform, and men and women in overalls and aprons...faithful cooperation between the fighting front and the home front.

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announces the resignations of Dr. Mario Scandifio as medical director and Dr. R. F. Cahoon, as assistant medical director. They are returning to private practice but, it is stated, will remain on a part-time basis with GHA medical staff.

GHA became involved in a controversy with American Medical Association and a local medical group here several years ago over the problem of physicians' service with GHA. Related to that controversy was the Department of Justice investigation and prosecution of A.M.A. and affiliates.

Los Angeles Producers Hold Panel Discussion

LOS ANGELES — Three members of the Accident & Health Producers Association of Los Angeles conducted a panel discussion of pre-approach, the presentation and closing.

Fred Dodge, Occidental Life, said one of the requisites of the pre-approach is to know one's contract, have confidence in it and what it will do for the buyer. Then the approach must be made with the idea of service first, giving the prospect the contract that fits his needs. He cited cases where the service idea, with the sale impossible because the prospect was uninsurable, had resulted in developing centers of influence. He declared that the agent's prospects and clients are his chief prospectors. Service to them will lead to a better class of clients. Better sales results will follow service rendered and confidence gained. He said he uses cold canvass at intervals to sharpen up his wits and keep him on his toes. He stressed the fact that service in payment of claims should be prompt and complete.

Al Bowman of Aetna Life, in speaking, said he uses the indirect method of presentation. He said that the prospect's interest is aroused when he learns of the number who are not insured and this interest helps him present his sales.

Ray Bradford, also of Occidental Life, talked on closing. He emphasized that the agent must know all about his policies, and described how he sold accident and health insurance to employees of large firms.

Trial Examiner Gives Report in Union Issue

WASHINGTON — Washington National should be required to cease and desist from discouraging membership in the Progressive Amalgamated Insurance Agents Union, and from refusing to bargain collectively with that organization as the exclusive representatives of its industrial debit agents of the St. Louis District (89), excluding certain classes of employees, according to recommendations by trial examiner James C. Batten in an intermediate report to the national labor relations board.

He also recommends the company should not interfere with, restrain or coerce employees in connection with organized labor activities. Also that the company should upon request bargain collectively with Progressive Amalgamated, and offer to reinstate 10 named employees and make good their loss of pay; also post notice that it will comply with proposed orders of NLRB.

The examiner finds that Progressive Amalgamated, an unaffiliated labor organization, is a company union. There was a strike in August, 1943, by employees because of discharge of an agent.

The examiner says the industrial agents of the St. Louis district constitute a unit appropriate for collective bargaining; that the union was duly designated as representative of a majority of the employees.

Company people took the position that the strikers had quit work, but the examiner finds that despite their strike, they still remained employees.

A conclusion of law in the report is that the company has been engaged in unfair labor practices, but did not, as alleged in the complaint, discriminator-

ily discharge the 10 named men, within the meaning of the act.

Canadian Provinces Agree on Health Insurance

TORONTO — Early adoption of and general approval of health insurance in Canada has been agreed upon by all the Canadian provinces as a result of a conference between provincial and federal authorities, Ian Mackenzie, pensions minister reports.

Some doubt was expressed by some

of the ministers as to their ability to introduce all the benefits of the health insurance bill at one time or to apply its benefits in all parts of the province at once. Mr. Mackenzie said it had been suggested by the Alberta delegates that insurance benefits be introduced item by item "as may be found feasible in any province."

Suggests Increase in Grant

It was considered that the federal grant of 25 cents per capita was too low and it was suggested that this should be increased to 35 cents. It was also suggested that the tuberculosis

grant and the mental disease grants be raised. The provinces did not suggest the amount by which these grants should be increased.

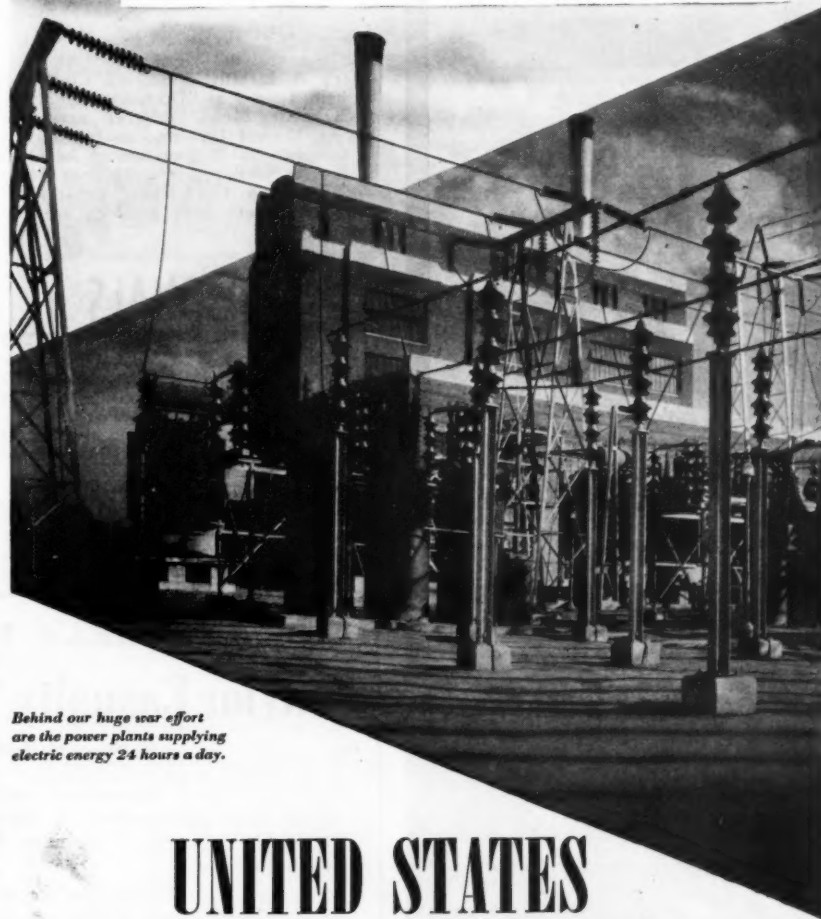
Dr. J. J. Heagerty, federal director of public health services, suggested that the provinces each form an advisory committee to make a thorough study of health insurance. He contended that there are enough doctors and nurses in peace time to allow the provinces to apply the health insurance benefits in at least most areas.

The house of commons committee on social security has decided that each province should be allowed to fix the

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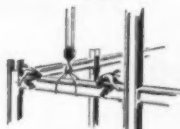
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amount of contribution each person would be obliged to pay under a health insurance plan.

Indiana Bar OK's Group Plan of Loyalty Group

The Indiana State Bar Association has given official approval to the professional group program of Commercial Casualty for its members. The plan becomes effective upon the sign up of 50% of the members. During the initial enrollment period, Commercial Casualty will accept substandard risks and those up to age 70. The maximum amount that may be purchased is \$50 weekly indemnity and \$1,000 principal sum. There is no master arrangement and each member gets a full individual contract and has his own dealings with the insurer.

The Loyalty group companies now have in effect more than 500 professional group contracts, principally lawyers, accountants and medical and dental associations.

Such a contract has been approved by committees of the Chicago Bar Association and the proposal is now before the board of governors of that organization.

Education San Antonio Topic

At the May meeting of the San Antonio Association of Accident & Health Underwriters, H. W. Ballew, manager Hooper-Holmes Bureau, spoke on the need for education of agents. He emphasized the constant changes in types of coverages offered and in conditions governing the granting of such coverage.

M. L. Monahan, Illinois Bankers Life, defined accident and health insurance as the first line of home defense and said it is the only form of casualty insurance which requires selling.

Seattle Outing at Mead's Home

The annual outing of the Seattle Accident & Health Managers Club will be held June 9 at "Dorninmead," home of Dwight Mead, general agent of Pacific Mutual Life and past president of the National Association of Accident & Health Underwriters. Honor guest will be Fred C. Becker, Great-West Life, immediate past president of the Seattle club.

PERSONALS

En route from New York to his new home at Auburn, Cal., Claude W. Fairchild, who had just retired as general manager of the Association of Casualty & Surety Executives, was entertained at a luncheon in Chicago by a number of his intimate friends in that city.

Robert J. Boyd, Panama City, C. Z., who represents U.S.F.&G. in Panama, and who does some work for other insurers including Zurich, was elected director of zone 1 of Rotary Interna-

tional at a meeting in Chicago last week.

James F. Ramey, executive vice-president and secretary of Washington National, has been elected president of the University Club of Evanston, Ill. Mr. Ramey also is a director of the Evanston Y. M. C. A.

P. Thorin, a general manager of Accident & Casualty, Winterthur, Switzerland; Ogden Davidson, U. S. manager, and A. F. McCarthy, superintendent of agents, were in Chicago this week visiting Manager Hugh Millard.

Mrs. Carolyn Tramel, 75, died Friday at St. Luke's Hospital, Chicago. She had been a resident of the city all her life. She was the wife of George Tramel, manager of the Chicago casualty department of the Aetna Life companies. A son, Forsyth Tramel, is a broker in the Aetna Life Chicago office.

E. J. Placeck, 64, for 16 years northwest manager in Seattle of Provident Life & Accident, died there.

COMPENSATION

New Michigan Bureau Constituted

The new independent Workmen's Compensation Rating Bureau of Michigan was officially put into existence at a meeting in Detroit that was called by Commissioner Forbes and was attended by about 80 company representatives. A. S. Cowlin, who has been manager of the rating bureau while it was a branch of the National Council on Compensation Insurance, was retained by the governing committee as manager of the new independent bureau.

Elected to the governing committee were Aetna Casualty, Zurich, Standard Accident, State Accident Fund, Michigan Mutual Liability, Employers Mutual Liability of Wausau. William Bishop of State Fund was named chairman. The classification and rating committee consists of Hartford Accident, Travelers, Standard Accident, General Accident, Employers Liability, State Fund, Liberty Mutual, Michigan Mutual Liability, American Mutual Liability and Lumbermen's Mutual Casualty.

The new bureau becomes operative July 1.

The constitution that had been prepared by the drafting committee was presented at the organization meeting by E. A. Warnica assistant secretary of Standard Accident. The committee consisted of Standard Accident, State Fund, Michigan Mutual Liability and General Accident.

Some minor changes were made in the constitution draft, eliminating specific provisions for inspection of risks and for adopting means for uniform and accurate audits of payrolls, inasmuch as machinery for these functions was set up in other basic constitutional provisions.

— A WEEKLY NEWS LETTER —

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sions setting forth the bureau's purposes. Another elimination was that providing means for expulsion of members inasmuch as the constitution provides that all compensation-writing carriers operating in Michigan must be bureau members and any such power delegated to the membership would infringe on departmental powers.

Operating expense will be borne by the insurers on a pro rata basis according to their volume of Michigan business. New and larger offices will be obtained to accommodate the necessary staff.

New York "Comp" Rates Cut 7.7%

The New York workmen's compensation rate revision effective July 1 that has been approved by Superintendent Dineen will result in a premium decrease of about \$9 million, the superintendent estimates. There is an average rate decrease of 7.7%. Reductions apply in 84% of all classifications.

In the manufacturing group the average reduction is 7.7%, in the contracting group it is 12.2%, in the federal group it is 16.6%, in the "servants per capita" the reduction is 3.4%. In window cleaning there is an increase of 8.7% and in "all other" the reduction is 5%.

Minnesota Prompt Payment Requirement Is Cited

ST. PAUL—The Minnesota industrial commission has called the attention of insurers and employers to an amendment to the law passed at the last session, designed to compel prompt payment to employees.

"Failure to make a payment within 30 days after notice to the employer of disabling injury renders the employer or his insurer, whichever is responsible for the delay, liable to a penalty in an amount equal to the daily compensation which the employee is entitled to for each day of such delay beyond the 30 day limit," the statement explains.

"Therefore employers who are insured should immediately report to their insurance companies all injuries suffered by their employees in order to avoid being charged with this penalty."

If circumstances require more than the 30 days, an additional 30 days may be allowed by the industrial commission, if applied for within the first 30-day period.

Explain New Retrospective Forms

MINNEAPOLIS—The new forms on retrospective compensation rating in Minnesota were explained to a group of high business executives of Minneapolis at a dinner sponsored by Marsh & McLennan. John M. Harrison, resident vice-president, presided.

Lumbermen's Mutual was listed last week as having been elected to the board of governors of the Compensation Rating & Inspection Bureau of New Jersey. It should have been Liberty Mutual.

CHANGES

Brown Emmco Special in Mich.

William H. Brown, formerly claim supervisor in central Michigan for the Emmco companies, has been appointed special agent for western Michigan, with headquarters at 713 Association of Commerce building, Grand Rapids. Mr. Brown has been with Emmco since 1936.

Two Travelers Appointments

J. I. C. Whalen, casualty field assistant, of Travelers at Omaha, has been appointed assistant manager of the branch there. R. E. Hughes, recently

released from military service, has been reappointed casualty field assistant at Albany, N. Y.

Haynes with Mastin & Co.

W. J. Haynes, who has been regional sales manager for Liberty Mutual in the Chicago area, has been named regional manager of T. H. Mastin & Co., covering western Michigan, northern Illinois, and northern Indiana, with headquarters in Chicago.

Mr. Haynes started with Liberty Mutual at Kansas City, in the auto sales department. He opened western Michi-

gan for the company from Grand Rapids in 1936 and in 1939 became district sales manager in charge of the Chicago district. In 1941 he was made regional sales manager. He succeeds Ralph Colville.

Changes in Farm Bureau Mutual

H. H. Reidelbach has been appointed special representative in the general liability and workmen's compensation field of Farm Bureau Mutual Automobile of Columbus. He takes the place of O. T. Gibson, who has been inducted into the navy. C. C. Horton, formerly field su-

pervisor, becomes assistant state agent, the position formerly held by Mr. Reidelbach. District Manager Burley Hope becomes field supervisor.

Sharp with American Casualty

American Casualty has appointed Thomas H. Sharp as field man in the Pittsburgh office. After six years in the brokerage and agency business in Philadelphia, he joined Aetna Casualty in 1939 and was in the field at Philadelphia, New York, the midwest, south-east and middle Atlantic states. He will



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operate in West Virginia and southwest Pennsylvania.

Day Joins Buckeye Union

Robert L. Day of Indianapolis has joined the Indianapolis office of the Buckeye Union companies and will assist G. H. Downey in special agency work. He formerly was with the American States and Indiana Lumbermen's and recently was given a medical discharge from the army after a year's service.

Watson Promoted by Emmco

J. W. Watson has been elected assistant treasurer of the Emmco companies. Mr. Watson joined the organization in October, 1943. Previous to his present connection, he was an examiner for the Illinois insurance department and has spent many years in the insurance business in managerial, accounting and personnel work. He is in charge of the accounting department of the Emmco companies.

Harry I. Jacobs has joined Citizens Casualty as resident vice-president at Newark. He has been Newark manager for Public Service Mutual Casualty.

ASSOCIATIONS

580 Attend K. C. Casualty and Surety Sales Congress

KANSAS CITY—Approximately 580 agents from Missouri, Kansas, Iowa, Nebraska and Oklahoma attended the casualty and fidelity sales congress here sponsored by the Casualty & Surety Underwriters Association. Five speakers appeared on the program, four of them nationally prominent insurance authorities. The talk of each was followed by an organized sales discussion panel with the participants consisting of local in-

surance people. These discussion periods were spirited and informative. F. G. Packwood, Massachusetts Bonding, was general chairman.

Doctor Discusses Dermatitis

MILWAUKEE—Dr. Harry Foerster discussed dermatitis in connection with workmen's compensation claims at the meeting of the Casualty Adjusters Association of Wisconsin. He attributed the increasing number of such claims to longer hours of employment, advanced age of employees, inexperience of new workers, and unfamiliarity with new substitute materials. He also discussed the use of the patch test. Earl Langworthy, Travelers, led a discussion on the newly adopted medical reports to be used in this state.

The nominating committee submitted this slate for a mail ballot, results to be announced at the June meeting: President, Ralph Browne and Stewart Farley; vice-president, Elmer Ziegler and Walter Weisleder; secretary-treasurer, E. H. Magnuson and C. M. Cukr.

Name Woman Chicago Secretary

Recognition was given to the women members of the Chicago Accident & Health Association for the first time at its annual meeting last week in the election of Mrs. Josephine A. Martin, Massachusetts Bonding, as secretary. In view of their increasing interest and activity in the work of the association, the nominating committee recommended that hereafter the secretary be selected from among the women members.

Roy M. Jackson, W. A. Alexander & Co., vice-president the past year, was advanced to president. Walter C. Kummerow, Continental Casualty, was elected vice-president and Harold T. Roos, Accident & Casualty, treasurer. New directors are A. J. Kirchberg, Connecticut General Life, retiring president; B. H. Groves, Travelers, and George J. Mauloff, Globe Indemnity.

FIDELITY AND SURETY

Surety Claim Forum Ends Its Season

NEW YORK—Importance of the claim men in building good public relations was emphasized by a number of speakers at the final meeting of the season of the Surety Company Claim Men's Forum. It was pointed out the claim man is usually the first contact the insured has with the bonding company and his opinion of the business is formed from the manner in which his claim is handled.

The guest speakers were Superintendent Dineen, A. F. Lafrantz, chairman of American Surety and dean of surety men; H. W. Nichols, vice-president and general counsel National Surety; M. W. Lewis, president Towner Rating Bureau; Peter Drake, insurance manager Sperry Gyroscope Company; A. N. Butler, vice-president Corroon & Reynolds; E. Vernon Roth, secretary Surety Association of America, and A. C. Goerlich, educational director Insurance Society of New York.

Fall Program Outlined

An outline of the program planned for the fall, beginning Oct. 4, was presented by Wayne Bounds, Maryland Casualty, chairman of the planning committee. Sixteen meetings on alternate Wednesdays will be held. Joseph Soley, National Surety, secretary, outlined the history of the forum from its organization in 1941.

Claim men seem hesitant to go to their company officials and argue their point out to its conclusion, Mr. Nichols said. There is much discussion arising from claims in adjustment under defaulted contracts, he stated. Nothing needs cleaning up more than inventory shortages.

Mr. Dineen spoke informally of a number of his experiences as a trial lawyer in handling claim litigation over a period of 20 years. Walter Flynn, National Surety, chairman, presided.

Bank Asks Supreme Court to Review Bond Issue

First National Bank in West Union, W. Va., has filed with the U. S. Supreme Court a petition for writ of certiorari for a review of the decision of the circuit court of appeals in favor of American Surety. The question is whether a bank which has not been designated as a depository for bankruptcy funds under section 61 of the bankruptcy act, becomes a trustee ex maleficio of bankruptcy funds deposited by the trustee of a bankrupt's estate in the ordinary course of business in a general account in the bank in which he regularly deposited both personal and trust funds and the bank thereby automatically becomes liable to the bankrupt's estate for subsequent misappropriations of such funds by the trustee even though the bank had no knowledge of any misapplication of the funds, received no benefit from the transactions and was not conscious of any impropriety in accepting such deposits.

History of Case

The trustee in bankruptcy was Clyde C. Ware, who according to the petition had the largest law practice in the county, was president of the Kiwanis Club at West Union, represented HOLC in Doddridge county and handled the checks covering its loans. The bank, according to the petition, had no reason to suspect any misappropriation by Ware of bankruptcy funds. American Surety was on Ware's bond.

In 1937 Ware received checks aggregating \$4,050 for rentals due bankrupt's estate. Ware deposited these checks in the bank in a general account which he had maintained for a number of years. He kept only this one general account in the bank in which he deposited fidu-

ciary and trust funds as well as his personal funds. Later the proceeds were withdrawn by Ware upon personal checks and misappropriated.

Government Sues Under Bond

The government has filed suit against American Surety at Charleston, W. Va., under its bond on the late Lt. Col. C. A. Wood of Charleston as U. S. property and disbursing officer of the West Virginia national guard. It is alleged that delinquencies in Wood's accounts between Jan. 12, 1927, and Feb. 27, 1935, totaled \$13,216.

Big Oregon Fiduciary Bond

PORTLAND, ORE.—One of the largest fiduciary bonds issued for some time in Oregon was issued by Maryland Casualty for Percy H. Kneeland, executor of the estate of Josephine Brooks, in the amount of \$400,000. The bond was placed through the Ireland-Guild Agency.

Draft Situation Clarified

O. F. Davis, retiring president of the Health & Accident Underwriters Conference, who is a county selective service chairman, at its annual meeting in Chicago, outlined how the newest draft regulations will affect insurance.

He said the companies might as well decide that they are going to lose all those 18-25 if they haven't already. In the 26-29 group deferments will be granted to those "necessary to" any business in support of the national health, safety or interest, which he said would include insurance. Those over 30 must only be "regularly engaged in" such a business.

There is no need for a company to take any action in the latter group, but it is necessary among those 26-29.



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D. of C. Adjuster Finds Use of Airplane Is Practical, Economical

In recognition of aviation's increased importance after the war, the Dickson Adjusting Co. of Washington, D. C., maintains an aviation department with its own private plane and licensed pilot. It is under the supervision of Samuel J. Butler with background of 17 years practical mechanical experience in the automotive field, eight years of insurance adjusting and 10 years in aviation.



Mr. Butler has 900 flying hours to his credit. He is a past president of the Washington Air Derby Association, a member of the Quiet Birdmen and has been associated with the civil air patrol since 1941, with seven months of active duty in courier service, army air force, Bolling field, District of Columbia.

Plane Valuable in Claim Work

The Dickson company was organized in 1940 by James F. Dickson, Jr., who during his 15 years experience in Washington, Maryland and Virginia became impressed with the value of a plane in handling claim work. It was a means of satisfying the increased demand for giving

immediate attention to claims and losses in remote areas.

Since its founding, all claims handled by the Dickson firm have been under the personal supervision of Mr. Dickson. To this is attributed the growth of the organization which in its first four years represents 110 insurance companies in all lines of adjustments.

The organization is further departmentalized as follows: automobile department, under Frank E. Nussbaum; casualty and compensation departments under Colin L. Ward; fire, inland marine and allied lines under Robert L. Wiseman.

An airplane can be used in a practical way in the settlement of claims other than those arising from aviation losses. An example was a case recently handled by the Dickson office in which a woman was injured in an automobile accident in Washington and immediately thereafter left for her home in Parkersburg, W. Va. This claimant was a valuable witness whose good-will had to be maintained; and, to cover the case immediately, their airplane was used and found more economical than an automobile.

By automobile the cost would have been \$65.75, made up of 660 miles, round trip, at 5 cents per mile; two days at \$15 per day, and hotel.

By airplane the cost was \$44.75, consisting of one day, adjusters' time, \$15, 6½ hours, depreciation and maintenance of plane at \$3 per hour, \$19.50; 33 gallons gasoline at 30 cents, \$9.90, and one quart of oil, 35 cents.

This indicates the practical and economical use of aviation in claim adjusting.

Canadian Approach to Multiple Writing

(CONTINUED FROM PAGE 19)

insurance, including disability and double indemnity and personal accident and sickness insurance. There was some discussion of whether employer's liability, workmen's compensation, public liability and other types of insurance to the extent that they covered bodily injury should be put under the heading personal insurance. However, the consensus was that these latter lines should be placed in the liability class.

In the second division is insurance of property. The decision was that this should cover property of every type and description, real or personal, and any interest therein including U.O., rents, profits, etc. The question then came up of whether there should be included in this class any of the types of third party liability insurance that are contained in present fire and inland marine policies. The final decision was to include in "insurance of property" liability for loss or damage to property of others in which the insured has an insurable interest. Also to include insurance of the property of guests and servants.

Under the heading liability insurance it was agreed that all liability for damage to others should be included and this would embrace voluntary compensation coverage.

It was agreed that a class entitled guarantee insurance should be set up including fidelity and surety. There was some discussion of whether fidelity and forgery was not in the nature of theft insurance and therefore should be included in property insurance. The final advice was to include fidelity in the guarantee insurance class and place forgery in the property insurance class.

The group was not able to reach a decision as to whether credit insurance should be included within guarantee insurance or property insurance. That was left to the drafting committee for a recommendation.

It was agreed that marine insurance should constitute a separate class.

As to statutory provisions, Mr. McNairn suggested that certain principles that are common to many classes such as principles relating to arbitration, subrogation, cancellation, etc., should be enunciated in laws having as wide an application as possible, that sufficient power should be vested in the superintendent to prescribe minimum protection for insured by regulation. He suggested that power be given to the superintendent to prescribe a standard policy providing minimum coverage which could be extended at the discretion of insurer. If many of the present restrictive provisions are dropped, some general provision, he said, should be substituted giving power to the superintendent to intervene for the protection of insured in the event that unduly restricted policies with unfair exceptions were issued.

Approval of Policies

Objection was voiced to the idea of requiring approval of policies on the ground that this would entail a lot of work, much of which would be unnecessary. Some favored the practice of adopting the system in the United States of prescribing a standard fire policy which might be extended or restricted by means of endorsements approved by the insurance department.

The decision was to recommend to the sub-committee that a general provision be drafted requiring all restrictions or exceptions to be clearly set out in any policy and that a provision be drafted vesting in the superintendent power to prohibit an insurer from issuing any form of policy or application not in the public interest, vesting discretionary power to impose a minimum standard of coverage with respect to any insurance peril where it is deemed to be in the public interest and to provide that where a restriction or a reduction in coverage is made without approval and a loss occurs the assured may apply to the court for a determination as to whether

the reduction or restriction is just and reasonable.

It was agreed that there should be a provision that a contract which goes beyond the charter or license powers of an insurer should be legal and valid as affecting the insured but that the issuing of such contracts should be made an offense. It was agreed that an appraisal provision applying to all types of property insurance should be drafted, likewise the subrogation provision. It was suggested that the fire prevention provisions be eliminated from the fire statutory conditions and that it be left to the companies to insert whatever fire prevention provisions they considered necessary.

Survey of All Aviation Coverages Is Presented

(CONTINUED FROM PAGE 21)

section agrees to replace used parts with new parts with no depreciation on such partial losses. Additionally, it is agreed that where repairs are made by the assured the actual cost of such parts plus the cost of labor plus 50% for overhead is allowed.

This replacement of new parts for old is the reason for the loading rate shown in the rate chart. For example, an aircraft costing \$1,500 new, the wing of which new would be worth \$300, has depreciated to \$1,000 when we take on the risk. By the same token, the wing should be worth \$200. However, this wing is replaced by a new part costing the underwriters \$300, hence the loading. You will observe too that the further the value of the aircraft diminishes from the list price the greater the amount of loaded premium.

This section also includes the cost of transporting new or damaged parts or transporting the damaged aircraft to a place of repair. This charge is limited to the least expensive method of transportation.

The second general condition deals

with reinstatement. When a loss occurs, insurance is reduced by the amount of loss. To bring the insurance back to value it is necessary to charge a prorata reinstatement premium.

In the third section we state that cancellation on the assured's part shall be at short rate and if by the company shall be prorata.

Notice of loss must be given to the underwriters as soon as possible.

Huge Automobile Verdict Awarded by N. J. Court

One of the largest awards ever made in an automobile case, a verdict for \$100,000, was granted Mrs. Lucy B. Karaffa by a jury in the Bergen county circuit court at Hackensack, N. J. Her husband, J. G. Karaffa, 37, a cartoonist for the "Hudson Dispatch" of Union City, N. J., was fatally injured in an accident involving his car and a truck owned by the Frank Gabriel Corporation, New York, driven by Edmund Donovan. Automobile claim men were inclined to believe the verdict may be upheld in view of the age of the husband, his earnings of \$8,000 a year, and the fact that both driver and trucking company were adjudged guilty of negligence. It is also in line with the trend toward larger awards with higher earnings and low returns on investments. Mrs. Karaffa, who has three children, was awarded the full amount she sought.

Little Headway in N. Y. on Rate Reduction Relief

NEW YORK—A committee of the New York State Association of Local Agents met this week with a committee of the New York State Fire Insurance Rating Organization in order to get the latter's backing for alternative methods of handling the rate reduction on policies that became effective before Feb. 1 other than to cancel and rewrite. It is reported that the agents made little

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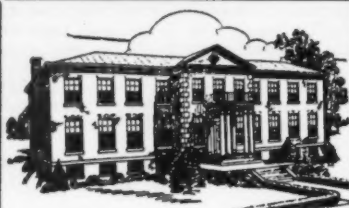
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headway in convincing the company men that the department should be asked to modify its agreement with the rating organization so as to permit any alternatives.

One of the objections of the agents to the necessity for cancelling and rewriting as the only means of getting any benefit of the rate reduction on policies going into effect before Feb. 1 was that this method inconvenienced mortgagees and also upset the expiration date systems of insured having their coverage split up into term policies, one coming due each year. It was pointed out, however, that this situation could be taken care of by letting the present term policy run to expiration, then cancelling it as of May 1, 1944, and writing the new policy to cover the usual term plus the period from May 1, 1944, to the date on which the new policy is written. For example, a policy will expire Feb. 1, 1945. At that time the insured cancels it short rate as of May 1, 1945 (the earliest date permissible even if he cancelled immediately), and has his new policy written for a three or five year term plus the nine months from May 1, 1944, to Feb. 1, 1945.

Burglary and Theft Specialist

Atlantic Mutual Indemnity, Atlantic Mutual's new affiliate, will confine itself at the start to burglary and theft insurance and reinsurance, it indicated in a notice of intention that it published this week.

Edward S. Harris has opened the All Coverage agency at 370 East 63rd street, Chicago. A formal opening of the new offices, which are on the ground floor, was held May 20-21.

CAB Criticisms Are Answered by D. C. Beebe

(CONTINUED FROM PAGE 19)

offices of the three groups. That board was organized as a result of "express insistence and instructions" of the New York superintendent, it is declared. Beebe has "difficulty reconciling" apparently conflicting statements of CAB concerning New York supervision.

CAB statements concerning aviation insurance profits are criticized. "Canadian premiums and losses of one group have been included and the same premiums and losses of another group have been excluded. Written premiums of one group have been included and earned premiums of another. The expenses of one group included in 'general expenses' are not complete. . . This probably accounts for the (CAB) statement that there is a substantial difference among the three groups in their general costs of doing business. . . In view of these inaccuracies, little reliance can be placed upon the experience figures set forth in the report, or in the conclusions drawn therefrom. They are hardly a sound basis for the statements in the report . . . that profits 'were undoubtedly very high' . . . that the tendency has been to fix the rates at too high a level" as stated by CAB. Mr. Beebe calls attention to the risky

problem facing aviation underwriters. He says that "in the case of our passenger liability insurance of domestic air lines in existence Dec 31, 1942, for example, for the policy years 1934-42, four out of the first five years produced a loss, and the next year, 1939, in which there was no major accident, produced a profit more than 50% greater than the total profits of all other profit years combined."

Loss Ratios Given

The loss ratio over a nine year period, 1934-42, varied from .95 to 119.01. Counting out the four years of loss, the total net result for the period was \$227,483.

Citing authorities, the letter says "flying liability and compensation insurance costs were reduced from 4 cents to 1.88 cents per passenger revenue dollar from 1938 to 1943, and total insurance costs increased in these years only 47% as against 113% for all other expenses, while air line passenger revenues increased 212%."

Mr. Beebe takes issue with CAB statement that maximum liability falling on any one member company in any American underwriting group would be less than \$10,000 on any given risk. He says that "if the three major groups at present write 96% of the business reported to the New York department, it is not because of lack of competition or of the absence of attempts by many others to secure the business, but that they have survived where others have failed because of better underwriting judgment and have secured the business by reason of providing a better service than their competitors."

CAB statement is declared untrue that indicated lack of competition for airline insurance. Admitting that not many airline accounts have changed hands and that it is "difficult for one group to pry away an airline with a favorable loss record from another group," Beebe says his group will strive to hold their present airline accounts against competitors and will "seize every opportunity to acquire whatever airline accounts can be acquired on a sound underwriting basis."

Answering the CAB charge of agreement among the three groups covering CPT, Civil Air Patrol and manufacturers' risks, Mr. Beebe confesses to surprise that CAB does not mention "the fact that the equal division of the CPT business was the direct result of the position taken by the Civil Aeronautics Authority and on Civil Air Patrol business of the position taken by the Office of Civilian Defense."

CAA wanted insurance at the same cost for all schools. Beebe says "we suggested that the entire business be thrown open to competitive bidding on a 'take-all' basis and be given to the lowest bidder." However, CAA did not approve that.

OCD wanted insurance for civil air patrol all alike. Hence the two agree-

ments on these businesses. Agreement as to manufacturers' risks is declared to have been promoted by the necessities of the war program.

Provision in the agreements against reinsuring any risks except at rates established by the three groups, or with their consent, which CAB criticized, is declared by Mr. Beebe to have been "for the obvious and natural purpose of implementing the provision for uniform rates," and not to exclude other insurers from participation.

Division of Premiums

Instead of the respective volume of underwriting by each of the three groups over the last five years showing a tendency toward an equilibrium on a basis of one-third each, the Beebe letter says the business was more evenly divided 10 years ago than now.

Excluding workmen's compensation, the 1933 business was divided percentage-wise; Aero, 38.15; Associated, 25.29; U. S. A. U. 36.56. For 1939-43, excluding workmen's compensation and exclusive of manufacturers, CPT and Civil Air Patrol business, equally divided for reasons stated above, the business written to Dec. 31, 1943, as reported by the board of aviation underwriters, was distributed: Aero, 24.95%; Associated, 34.61%; U. S. A. U., 40.44%. If workmen's compensation and foreign business were included. Mr. Beebe says the percentage differences would be greater.

The letter declared incorrect the CAB statement that the commissioners on uniform state laws proposed for state adoption legislation proving that aircraft operators should be absolutely liable for loss or injury sustained by passengers and persons on the ground. Instead, Mr. Beebe says, the commissioners withheld the proposed legislation pending CAB completion of its study of the subject. Before that, it is added, U. S. Aviation Underwriters questioned airlines it insured, which "all but unanimously responded that they were opposed to any legislation which imposed any different rule of liability, whether more or less favorable, upon air carriers than that imposed upon other types of carriers."

A spokesman for CAB stated that the board will take up for consideration, when its docket permits, the "comments" of U. S. Aviation Underwriters, on the CAB report.

Senator T. M. Gray, executive secretary of the Ohio Association of Insurance Agents, was host to Capt. Don S. Gentile, ace of aces, when he visited Columbus Tuesday. Senator Gray presented Capt. Gentile a copy of the resolution which the Ohio senate adopted at its special session a few weeks ago commending his distinguished was service, and later entertained him at luncheon at the University Club. Senator Gray was one of Capt. Gentile's teachers when he attended high school in Piqua, O.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Interesting Angles in Ill. Merit Award

J. J. Beattie of Rockford, Ill., president Illinois Association of Insurance Agents, explains that the merit award plaque which has been donated by Editor C. M. Cartwright of THE NATIONAL UNDERWRITER to the organization to be given to an Illinois insurance man each year who had performed some outstanding act of service to the agents of the state, will feature the insignia of the National Association of Insurance Agents and the Illinois association. Mr. Beattie states that the officers felt that this would be very appropriate inasmuch as the donor was present at the organization meetings of both associations. The Illinois association was organized at a meeting held in the Congress hotel in Chicago when R. W. Hosmer, head of R. W. Hosmer & Co., Chicago, was elected president. Later on two of his nephews, the late P. B. Hosmer and the late Rockwood Hosmer, took an active part in the Illinois association, the latter serving as president.

The officers have extended a special invitation to Mr. Cartwright to attend the annual meeting of the Illinois association at Rockford so that he can present the first award and he has accepted.

Minnesota Agents Eager for New Dwelling Form

MINNEAPOLIS—Local agents in Minnesota are getting impatient to have the new dwelling house form filed and approved in this state as they vision a good market for it. This will be one of the subjects discussed at a meeting of the executive committee of the Minnesota Association of Insurance Agents May 25 at the summer home of President Armand Harris on Squaw Lake in northern Minnesota.

Other matters to be considered will be turkey insurance, the new agents' licensing setup, public relations and automobile finance business. It is likely the committee also will select the date and place of the annual meeting in the late summer.

Following the meeting the committee members will be guests at the annual fishing party of George Van Wagenen, Minneapolis general agent, at his Eagle Nest lodge. Attending also will be a number of other local agents from various parts of the state.

\$200,000 Wind and Hail Damage in Iowa Storm

The heavy wind, rain and hail storm that swept through Iowa in the Fort Dodge-Sioux City area last week produced about 400 claims at Fort Dodge which, it is estimated, will average between \$250 and \$300 apiece, struck farm properties in a wide swathe running west of Fort Dodge for a distance of about eight miles, and produced 800 to 1,000 losses in Sioux City that will average \$75 apiece. The storm was of cyclonic intensity at Fort Dodge but at Sioux City it consisted largely of heavy wind and hail. Many of the farm losses will be total.

Some estimates place the total losses close to the \$1,000,000 in 15 northwest and northcentral Iowa counties as a result of a series of storms May 18 and 19. A Red Cross representative reported on the basis of a survey that 35 dwellings were destroyed and 275 damaged, 117 barns destroyed and 304 damaged, 225 other buildings destroyed and

366 damaged in Pocahontas, Webster, Hamilton, Greene, Boone, Story, Marshall, Carroll, Crawford, Monona, Woodbury, Ida, Sac, Cherokee and Calhoun counties.

One of the largest state mutual tornado writing companies estimated its losses around \$200,000. This company also reported heavy hail losses in counties other than the 15 listed by the Red Cross.

J. D. Hall Speaks in Omaha

Credit men constitute one group to which agents can apply their public relations program perhaps more successfully and fully than any other, J. Dillard Hall, assistant agency director of U. S. F. & G., said in a talk on "Inseparable Twins—Credit and Insurance" at a meeting of the Omaha Association of Insurance Agents. Mr. Hall was in Omaha attending the war congress of the National Association of Credit Men. He is vice-chairman of the insurance group of that organization and has held the post for eight years.

Credit men and insurance people work to the same end, that of conservation, he said. The two things they sell go hand in hand. There is a similarity of objectives, to reduce the shock of economic losses. Business demands maximum use of credit and greater security against losses, he said. He urged agents to work more closely with the credit men in their community.

Hutchinson Agents Elect

The Hutchinson (Kan.) Association of Insurance Agents has named on executive board Harry Davis, M. W. Webster, Ed Seymour, John Fontron and John Brehm. They will select a chairman and new officers from the group. R. C. Brown of Brown Bros. is the retiring president.

About 47 lawyers and bankers were guests at the board's bond meeting at which W. R. Evans, Kansas City manager of American Surety, spoke.

Pribish Takes St. Louis Post

ST. LOUIS—Frank Pribish is joining the Lawton-Byrne-Bruner agency here June 15 as manager of the fire insurance department. For the past 24 years he has been connected with the Rollins, Burdick, Hunter agency of Chicago in the fire insurance department and since 1929 has been manager of that department. His entire business career has been in the insurance business in Chicago.

Beech Addresses Buyers

Ray J. Beech, superintendent of production of American Automobile, discussed "Trends and Pitfalls in Liability Insurance" at a meeting of the St. Louis insured members conference of the Associated Industries of Missouri. He emphasized property damage legal liability arising out of a fire, individual policy pitfalls and how to avoid them, and the developments in comprehensive liability.

Big Hugoton, Kan., Loss

At Hugoton, Kan., fire swept nearly half a block, destroying a garage, dress shop, hardware and furniture store and badly damaging a theatre. The loss was estimated at more than \$100,000. The fire started in the garage.

Forbes at Royal Oak

ROYAL OAK, MICH.—Commissioner Forbes addressed the Southern Oakland County Association of Insurance Agents and guests at a dinner meeting last week, on problems of de-

partmental supervision. J. L. Van Wagener of Pontiac, was toastmaster. About 100 attended, including several city officials of Royal Oak, Birmingham and Ferndale.

\$100,000 Freight House Fire

BATTLE CREEK, MICH.—Fire partly destroyed the freight warehouse of the Grand Trunk railroad here, causing a loss estimated at more than \$100,000. Nine partly loaded box cars and a considerable section of the long building were destroyed. The Grand Trunk is a part of the Canadian National system, which almost completely self-insures.

Peacock Dodge County Speaker

George C. Peacock, Milwaukee, state agent of Agricultural and member of the public relations committee of the Wisconsin Fire Underwriters Association, discussed current and post-war problems of insurance at a dinner of the Dodge County Association of Insurance Agents at Theresa, Wis. A. J. Rindfleisch of Marshall & Ilsley Bank, Milwaukee, spoke on financing of installment premiums.

Wirt Wilson & Co., Minneapolis, has been presented a plaque in recognition

of completion of 25 years representation of Hartford Fire.

The Kansas City Association of Insurance Women at its May meeting heard Hugh P. McTernan, of the Social Security Board, Kansas City. Mr. McTernan is a former life insurance agent.

Hutchinson, Kan., has received a priority from the WPB for purchase of a 750-gallon pumper which was recommended at a recent check-up by engineers of the National Board. Hutchinson has grown considerably the past two years, due to location of a navy base nearby in addition to several war plants.

Insurance Women of Omaha elected these officers: President, Dorothy Klonus; vice-president, Henrietta Lamb; secretary, Maxine Nystrom; treasurer, Mary Davlin. A radio quiz on fire, auto, marine and casualty insurance was conducted.

A. W. Lauterbach, Farmers & Merchants Agency, Colby, Kan., has been elected president of the Kansas Bankers Association.

Roscoe R. Thomas, Hartford Accident, Kansas City, addressed the Hutchinson (Kan.) Insurance Women.

Charles Gharrett has opened an agency at Newton, Ia. He formerly was a contractor there.

Wisconsin Tornado Mutual has been admitted to Minnesota.

IN THE SOUTHERN STATES

Kentucky Agents in Annual Session

LOUISVILLE—The two-day annual convention of the Kentucky Association of Insurance Agents opened here Thursday with an unusually large number on hand.

One of the features of the opening day was the panel discussion of the New York fire policy which was led by James C. O'Connor, editor of the "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER. Mr. O'Connor was aided by William E. Clark, manager Kentucky Inspection Bureau, and A. G. Harrison, Carl A. Nuetzel and W. C. Vaughan, Louisville local agents. Norman A. Chrisman, first vice-president and state national director, Pikeville, gave his report. President James J. Hackworth, Fire Marshal Clyde Smith and Alvin S. Keys, Springfield, Ill., National association executive committeeman, also were scheduled for the opening day's program. The annual dinner dance and floor show are being held Thursday evening.

J. A. Trovillo, assistant secretary of Underwriters Laboratories, Chicago, will make a presentation on "Testing for Safety." Insurance Director Goodpaster is expected to be on hand. The annual breakfast of the Past Presidents' Club will be held Friday morning.

Tennessee Agents Program Is Set

The Tennessee Association of Insurance Agents has completed the program for its annual meeting at the Noel hotel, Nashville, June 7-8. There will be a meeting of the executive committee and of a special compensation committee June 6, with a private dinner at 7:15 p. m. for officers, directors and past presidents given by President Joe H. Bandy, Nashville.

"What Price Success, Organized Agents" is the title of a talk by Harry B. McClain, executive secretary Indiana association. "Post-War Problems in the Casualty Business" will be treated by

Takes Over Reins of Florida Association

J. Howard Gould, the new president of the Florida Association of Insurance Agents, long has taken an active part in association affairs. He gave one of the outstanding talks at the recent convention of the Florida agents, on private enterprise. He is secretary and general manager of the Foley Carter Insurance Co. at St. Petersburg. He served as vice-president of the association during the past year, and the group should have an excellent administration under his leadership.



J. H. Gould

Charles J. Haugh, actuary National Bureau of Casualty & Surety Underwriters, and "Sales Strategies for Today and Tomorrow," Briant Sando, "Insurance Field," Louisville.

A panel of 11 association members will act as experts in a forum on fire insurance forms, coverages, farm insurance and casualty coverages.

At the annual banquet Thurman Sensing, director of research Southern States Industrial Council, will discuss "The Atlanta Indictment and Its Effect on Southern Industrialists"; Hunter Brown, Pensacola, Fla., member National association executive committee, "Public Relations Program in Action," and Commissioner McCormack, "The Agent and His Job in a World at War."

Sargent Opens Mobile Office

George W. Sargent has opened his own independent adjusting office in Mobile at 211 First National Annex. Mr. Sargent had been with the Fire Companies Adjustment Bureau at Birmingham the past three years, prior to which he was with the Richmond office. He specializes in the handling of fire, automobile, inland marine and allied lines losses. He has been prominent in

the adjusting field and is also remembered as special agent for 14 years in Georgia and Florida.

Favors Model Licensing Bill

At the convention last week of the Oklahoma Association of Insurance Agents in Oklahoma City, Commissioner Read commented favorably on the model agency licensing law which has been agreed on by the National association, National Board and Association of Casualty & Surety Executives. He recommended it as a basis for agents' qualification legislation in Oklahoma.

Heavy Army Loss Uninsured

NASHVILLE—According to unofficial reports, the army suffered a loss estimated at \$200,000 on material destroyed by fire in the Bond-Chadwell Warehouse here. The fire is said to have destroyed material very difficult to replace. The building is classed as fireproof and there was no insurance on the equipment destroyed.

Dinner for Va. Past Presidents

The evening before the annual meeting of the Virginia Association of Insurance Agents at Roanoke, June 14-15, the past presidents will hold their annual dinner. There are 22 of them living. There will be a get-together dinner the evening of the first day of the convention.

Texas Mutual Agents Elect

WACO, TEX.—At the annual meeting of the Texas Association of Mutual Insurance Agents these officers were elected: President, Harry Kinney, Houston; vice-presidents, C. P. Coates, Fort

Worth, and Earl Hall, San Antonio; secretary-treasurer, Lawrence Ilfrey, Houston.

The new directors are Lee Davis, Dallas, outgoing president; Fred Tucker, Waco; R. D. Spencer, San Antonio; Clark Wood, Lubbock, and A. D. Brodie, Temple.

The 120 conventioners were entertained with a cocktail party at the Hicks & Tucker agency and Service Mutual was host at a banquet and dance.

Speakers included O. M. Earl, vice-president Grain Dealers National Mutual; Len K. Sharp, secretary Mill Owners Mutual, Des Moines; C. L. Vineman, Dallas; M. J. Wilkinson, Des Moines; Lee Dopp, Dallas; Ed Hood, Dallas; Gene Goetzinger, Dallas; A. D. Jones, Dallas.

NEWS BRIEFS

J. B. Ragan Jr., Chattanooga local agent, who has served two terms as speaker of the house in the Tennessee legislature, will not be a candidate for reelection.

The Nashville Association of Insurance Women has elected these officers: Miss Lou Ella Finley, president; Miss Marie Irvine, vice-president; Mrs. Lucille Nichols, recording secretary; Mrs. Analea Miller, treasurer; Mrs. Christine Dobbs, corresponding secretary.

The D. R. Peel & Co. agency at Benton, Ky., has moved from Bank of Marshall County building to a first floor location on Main street. Mr. Peel formerly was in the Kentucky insurance department, in charge of fire prevention and rates.

E. D. Gorski, who has been manager of the Howell B. Jones Insurance Service, Houston, Tex., has joined in the casualty underwriting department of the Quirk & Co., general agency, San Antonio.

MARINE INSURANCE NEWS

Bill to Cut U. S. Mail Cover; Volume Up for Insurers

Representative Ward has introduced a bill in Congress to fix the fees for insurance on parcel post, registered mail, etc. The fees are for the most part substantial reductions from the present schedule, and in some cases less than what the post office department charged prior to the 1944 revenue bill, in which the fees were doubled. The charge would be 3c for indemnity not to exceed \$5, up to 25c for indemnity not exceeding \$200. On domestic third and fourth class mail the charge would be 20c for not more than \$5 and up to 60c for not more than \$200, the same fee applying to first class mail matter.

Big Increase for Companies

Introduction of the bill may be the result of declining postoffice department revenues on insured mail matter. The inland marine insurance people say there has been a big increase in the volume of premiums and the number of concerns insuring in private companies since POD rates were doubled. One underwriter estimates that prior to the 1944 revenue bill about 50% of those insuring mail purchased protection in private companies and that this has now increased to around 80%. An agent in a midwest town recently approached eight prospects and sold all eight.

Even if the Ward bill goes through, POD rates for the firm needing any amount of such insurance would still be higher than private company rates. However, the big factor is the convenience of private insurance. The post office insures by package, which necessitates standing at a window and possibly in line to get service.

Inland marine underwriters believe that the considerable number of firms that have bought private coverage since the POD rates were doubled will con-

tinue buying it even if the postoffice rates should be sharply reduced.

Should Be Good Season for Private Boats in Midwest

After a premium decrease in 1943, due to requisitioning in 1942-1943 of many large power boats by the coast guard and the navy underwriters handling lake and river business on private pleasure craft in the midwest and Great Lakes region believe 1944 business will be as good as 1943 or better. The market for boats is lively and few will stay laid up this year. Some power boats have been returned to their owners by the navy and coast guard, and the War Shipping Administration has just ordered all craft of 1000 tons or less returned to owners. It is taking quite a while to reconvert these craft to civilian use, since on many of them were mounted Y and machine guns and fitted with extra bunks.

Boat yards are behind schedule and cold and rainy weather has delayed owners in getting craft in the water.

Marine Surcharge Rates Down

The amended schedule of rates to be charged under combined marine surcharge and extended transit clauses, beginning May 15, represents a substantial reduction in many of the rates for coverage free of particular average and with average and on F. P. A. or W/A only but including theft and/or pilferage and/or non-delivery. The reductions are the result of improvement in navigational conditions generally. There is, however, no improvement apparent in regard to damages and pilferage, and marine underwriters expect a still further deterioration in this situation, with little if any change in rates.

Distribute "Why You Need Burglary Insurance Protection" booklets containing latest FBI crime figures. For sample and prices write National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

EASTERN STATES ACTIVITIES

Graduates of Pittsburgh School Form Organization

The Pittsburgh Insurance School entertained its graduates at dinner. W. Ray Thomas who is vice-president of the N.A.I.A., presented the new graduates with their National association certificate awards and Wallace M. Reid presented the Pittsburgh Insurance School diplomas.

Greetings were delivered by H. W. Schmidt, who was president of the Insurance Club at the time the present curriculum was adopted; Edward A. Logue, state agent of State of Pennsylvania, current president; John B. Ladley, who was president of the Pittsburgh Association of Insurance Agents during both school terms, and Bessie M. Snyder, secretary of the association and of the school. George W. Scott, educational director of N.A.I.A., delivered the principal address. Val E. Schott, Aetna Casualty, director of the school, was toastmaster.

The graduates formed a permanent organization. Dewey Clark, Frank T. Lauinger Co., president, and Zelda Veatch, Employers group, secretary. It will petition the N.A.I.A. for recognition as alumni chapter No. 1 under the N.A.I.A. program.

Lending Library for Veterans

BOSTON—A lending library, with speakers supplied for seminars and conferences, to aid convalescent soldiers of the present war, to keep abreast of insurance developments or to assist veterans who desire to enter the insurance business after the war, will be provided by the Insurance Library Association of Boston for the four large army convalescent hospitals in Massachusetts. The facilities will also be open to other soldiers who desire to keep up their insurance interests.

W. Va. Experience Reviewed

Premiums received by fire companies in West Virginia last year totaled \$6,541,016 and paid losses were \$2,505,282, the ratio being 38.18, according to Deputy Commissioner Justice. For the three years 1940-42 inclusive total premiums were \$17,589,281 and losses \$7,364,293, the ratio being 41.87. Under the 1939 act, Mr. Justice observed, the department will have authority to adjust rates next year, after the 1944 experience has been tabulated.

Rename Salvage Corps Officers

NEWARK—William A. Hall, Jr., has been reelected for his 20th term as president of the Underwriters Protective Association, which operates the Newark Salvage Corps. All other officers also were reelected.

NEWS BRIEFS

The New Jersey Association of Mutual Insurance Agents will hold its mid-year convention in Trenton June 30. Topics for discussion will include the new personal property floater; requirements of agents, brokers and solicitors under the new licensing law; provisions of the new fire policy; new insurance department rating law, and agents educational and training program.

Daniel S. and Jeremiah J. Healy of Healy Brothers agency, Barre, Mass., have been presented a 25-year service certificate by North America.

The Syracuse Insurance Women's Association held its "bosses' night" with 160 in attendance. President Alfreda W. Diller introduced Edward F. Walsh, U. S. F. & G., as toastmaster. George W. Tisdale, Commercial Union, was the speaker.

New officers were installed by Irvin E. Hunt, American Surety. President is Marguerite Fitzpatrick.

The convention of the Federation of New York Insurance Women's Clubs will be held in Buffalo, Oct. 26, at the Statler hotel. The following chairmen

Alexander Heads Pittsburgh Agents

Clarence H. Alexander of McCandless, Collingwood & Alexander was elected president of the Pittsburgh Association of Insurance Agents at the annual meeting succeeding John B. Ladley of W. L. Ladley Sons, who had served for two terms. John J. O'Donnell, Lon C. Jeffrey Co., is the new vice-president. Miss Bessie M. Snyder was reelected for her sixth term as secretary.



C. H. Alexander

Directors reelected at the annual meeting include Dewey Clark, Frank T. Lauinger Co.; Frank P. Fletcher, Pennsylvania Underwriters Association; A. W. Pardew, W. W. Flanagan & Co., and Charles A. Reid, Wallace M. Reid & Co. The new directors are: A. Blumenthal, Benswanger, Hast & Herzog; Frank A. Hewitt, Hoover & Diggs; Raymond A. Tucker, Tucker & Johnston, and Mr. Ladley.

will be in charge: Finance, Miss Harriet Wendelgas, Fidelity & Deposit; program, Miss Adelaide Gielow, Armstrong-Roth-Cady Co.; arrangement, Miss Edith Argus, F. & D.; publicity, Miss F. June Wells, Standard Accident; reception, Mrs. Alfred Magoon, Magoon & Company; entertainment, Mrs. Clara Kroening, C. Lee Abell Co. Mrs. Sylvanus F. Nye, Nye Mortgage Corporation, is general chairman.

The New Hampshire Insurance Women's League at its "bosses' night" dinner attended by 100, heard Lt. Col. John E. Shennett, head of the Massachusetts civil air patrol and special agent for U. S. Fire. Miss Janet Sheehan presided.

A play was presented under direction of Miss Helen T. Meehan, written by Joseph F. Gough, resident secretary of North America, depicting the present day and the 1904 manner of applying for a position in an insurance office. The cast consisted of Fred L. Burns, Arthur E. Card, Mary Burns, and Geraldine E. Silville.

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PACIFIC COAST AND MOUNTAIN

Moody with Fire Association

The Fire Association group has appointed Desmond V. Moody resident



D. V. Moody

superintendent for southern California and central San Joaquin Valley, with headquarters in the Los Angeles office under Secretary-Manager W. M. Houston. Mr. Moody was in the local agency business in Elgin, Ill., for 15 years. He was active in the Illinois Association of Insurance Agents and served as an officer for three terms. He was president of the Elgin association four terms. Upon his discharge from the army in 1943, he sold his agency and moved to Beverly Hills, Cal. Recently he was special agent for Royal Indemnity for southern California. He succeeds John C. Burt, who has entered the local agency business at Cheyenne, Wyo.

F.C.A.B. Makes Changes at Butte and at Eureka, Cal.

The Fire Companies' Adjustment Bureau has reopened the Eureka, Cal., office, with Bruce Simons in charge. Mr. Simons has had more than 15 years of experience on all types of claim work and has been with F.C.A.B. seven years, recently in Salt Lake City.

J. D. Kelley has been appointed branch manager at Butte, Mont., succeeding L. M. McKinley, who goes to San Francisco. Mr. Kelley for 10 years was deputy insurance commissioner of Montana, then insurance counsel for the Anaconda Copper Mining Co., the position he held until joining F.C.A.B.

Oregon's U. S. Senators Take Stand on States Rights Act

The Oregon Association of Insurance Agents has secured definite commitments from both the state's United States senators in favor of the Bailey-Van Nuys bill. Senator Guy Gordon, successor to the late Senator McNary, who was against federal interference with insurance supervision, said: "I am

in full accord with Senator McNary's position." Senator Rufus C. Holman wired: "Have consistently opposed all federal activities which in my opinion encroach upon the rights and proper functions of the states. Consistent with this policy, I am of the opinion that regulation of insurance companies can best be handled by the several states and I shall give my active support to S.B. 1362 or any other feasible legislation designated to accomplish that purpose."

The Oregon association, prior to the May 19 primary, called upon its members throughout the state to make a special effort to get acquainted with candidates for public office.

Carroll Speaks in Spokane

SPOKANE, WASH.—A report on the meeting of the Washington Association of Insurance Agents contact committee with the Washington Advisory Committee was given by Charles P. Carroll, chairman of the agents' group, before the Spokane Insurance Association.

Local agents and special agents of Spokane will revive their annual golf tournament June 6, followed by a dinner.

NEWS BRIEFS

Joseph H. Chapman, Pacific Coast manager of Associated Aviation Underwriters, lectured on "Aviation Insurance" before the class taking the N.A.I.A. course sponsored by the Insurance Exchange of Los Angeles.

Virgil Lee, Chehalis, chairman of the executive committee of the Washington Association of Insurance Agents, is without opposition on either the Republican or Democratic tickets for reelection to the state senate.

Paul Ragan, special agent of Hartford Fire, addressing the Long Beach Insurance Association reviewed some of the accomplishments of stock fire insurance in wartime.

Judge Lusk of the Oregon supreme court will speak on the Oregon insurance code at a meeting in Portland June 20 sponsored by the Oregon Association of Insurance Agents.

The Insurance Women of Pueblo has elected Mrs. Neta Sackman, Sackman agency, president; Mrs. Evelyn Williams, Leach Agency, vice-president; Mrs. Ruth Hersinger, Walter G. West Agency, and Mrs. Peggy Linfoot, Middelkamp Agency, secretaries; Mrs. Marjory Fredericksen, Sam T. Jones Agency, treasurer.

Tackle Numerous Problems in Ark.

(CONTINUED FROM PAGE 5)

it was pointed out that there are now 150 or more automobile dealers and their employees who are licensed as insurance agents in Arkansas.

Robert Maxwell, the new president, is a member of the Offenhauser & Co. agency at Texarkana. Secretary C. C. Mitchener of Marianna was elected to that post for his 26th term.

Five Members Killed in Action

Following the dedication statement by Mr. Kennedy at the opening, J. Herbert Graves, Arkansas insurance commissioner, read a memorial statement in which he said the association is represented by 236 persons in service. Five have been killed in action, Col. John R. Fordyce, Little Rock; Lt. Solon Humphreys, Jr., North Little Rock; Ensign John D. Chester, Little Rock; Commander Fred Connaway, Helena, and Flt. Comm. Loy Perry, Clarksville.

Oscar Beling, superintendent agency systems department Royal-Liverpool groups, New York, spoke on "Blue Print for Profit." He emphasized the importance of good office procedure and

adequate records as prerequisites to selling.

The closing session was devoted to a quiz program, the panel consisting of William Leigh, L. B. Leigh & Co., Little Rock; Robert C. Bird, Bird, Lange & Maris, Little Rock; George D. Suter, manager Arkansas Fire Prevention Bureau; Arthur L. Parker, America Fore, Little Rock; and I. C. Sparks, St. Paul F. & M., Little Rock.

Strong Message from McNew

C. S. McNew of Pine Bluff gave a forceful and telling presidential report. He recommended that the association and the Arkansas Fieldmen's Club name permanent standing committees on public relations to launch a program which he called, "Let's Tell Our Story." It should consist of four principal selling points, he said: The significance, importance and usefulness of property insurance as an institution, that it is not just a necessary evil; the place and importance of the local agent as an independent business man, as a fellow merchant and citizen, not just a guy trying

to make a soft touch out of a petty racket; the steadily decreasing cost of insurance, and the safety of stock insurance.

Mr. McNew suggested that the federal government has in the S.E.U.A. case started something that may be taken up in many states in the 1945 legislatures. The agent must be prepared to meet the challenge.

He recommended also that the association in cooperation with the field men and educational institutions establish from time to time insurance refresher courses for returning service men. He emphasized the need of a qualification law, not to stifle competition or keep people out of the business, but to set certain minimum standards for new entrants to meet. He urged immediate adoption in Arkansas of the proposed new dwelling form.

W. Ray Thomas Speaks

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W. Ray Thomas, Pittsburgh, vice-president of the National association, said. The public relations program, he believes, indicates an awakening realization of responsibility for interpreting, explaining and selling a way of doing business.

Annual Muster of Miss. Agents

(CONTINUED FROM PAGE 7)

Finances of the association are in excellent condition. He said that failure of the agents' licensing law in the last session of the legislature was due principally to failure by agents to see their state representatives.

The association has asked the companies for contingent commissions as well as a straight increase in the present flat commission on Mississippi business, Mr. Johnson said. While the conferences have not resulted in immediate success, it is believed the way has been paved for future discussion and possibly the realization of contingent commissions.

Companies arrive at the amount of commission to be paid each year by a questionnaire sent out by the insurance commissioner's office in October or November each year to each company, asking them to vote on the rate of commission they will pay on various classes of risks, he said. When these questionnaires are returned the vote is tabulated and the majority vote carries. The agent has nothing to say about the matter. However, Mr. Shaw believes that if enough agents take up the matter with their companies, they might realize an increase in commission at least equal to those paid in other states and cities. There is nothing in the Mississippi law to prevent payment of contingent commissions, he said.

In his report as state national director, Mr. Hardy said that the agents licensing law which the companies have agreed they would support should be studied carefully between now and the next session of the Mississippi legislature with the idea of getting such a law passed.

Distribution Cost Not Too High

The cost of distributing insurance to the public is not too high, Guy T. Warfield, Jr., Baltimore, member of the National association executive committee, said in his talk. The business men in insurance receive a very small portion of the consumer's dollar compared with business men in other fields, he declared.

He said that many qualification problems would solve themselves if the public fully understood what might fairly be expected of a sound agent in the way of service and as a representative of assured. The local nature of insurance protection and service is a final argument for local control, he declared. If the public understood this, there would be less danger of federal intervention.

Frank X. Mara, U. S. Aviation Underwriters, Fort Worth, was unable to go to Jackson to address the meeting because of illness.

Auto Loss Men Told of GEIC Plan

(CONTINUED FROM PAGE 7)

age, and to maintain the confidence of the dealer in the adjuster's ability. It is also important to know the insurance coverage so that the adjuster will understand what is covered and what is not.

The six weeks' schooling was given at the General Motors Institute at Flint, Mich. This institution has 164 instructors and is operated largely on the cooperative basis, that is, students are hired in pairs and one works in the factory while his team-mate goes to school and they change places every two months. The embryo adjusters, however, took the course straight. They were paid

Final Report on Tex. Hurricane

NEW YORK—Much of the report which the committee on adjustments of the National Board prepared for the annual meeting deals with the Texas hurricane of last July in which insurance losses were \$12,687,231 on 71,998 claims and which furnished the first proving ground for the National Board's plan for handling catastrophe losses. Included in the report is a statistical analysis which shows, among other interesting items, that 29% of the number of claims representing 35.3% of the total loss paid were in the \$101 to \$499 range and the second largest group, 20.8% of number of claims but only 5.1% of the total loss paid, was the \$26 to \$49 bracket. The aggregate of losses below \$50 was 18,438, or 36.12% of the total number, while the dollar volume was \$531,192 or 6.6%.

The consensus, according to the report, is that the catastrophe plan and its supervisory office provided a means necessary to expeditious adjustments and orderly procedure and contributed materially to stabilization of a type of situation which in the past has been attended by considerable confusion.

their full salaries plus living expenses. A General Exchange man lived with each group as supervisor to see that they studied their night assignments.

When these students got to the school they might not know the function of all the parts or how to identify them as forgings, stampings or castings. At school they learned how to identify these different types and which repair methods were applicable to each. For example, a stamping can be straightened but a casting cannot. Since the Chevrolet and Buick factories are at Flint the students could see the different parts manufactured and were also shown what repairs can be made and how they are made, such as by welding, and bending.

At the school there are about 25 cars on hand with different types of damage and the students are graded on what they think it would take to repair them. The new adjusters are taught how to use the flat rate manuals for operations to which these apply and also the parts price list.

An essential phase of determining charges, Mr. McGinnis said, is to allow for overlaps in the flat rate manual charges. For example, if a front fender is to be removed there is an element in the flat rate to cover the labor of separating the fender from the radiator shell. Also in the flat rate for removing the radiator shell there is included a factor covering the work of removing the shell from the front fender. If both the fender and shell are to be removed this cost element should be figured in only once. It is usually possible to reduce flat rate charges by around 25% if overlaps are taken into account.

After attending the school the new adjuster travels with an experienced adjuster but this time the new man does the work and the older adjuster watches him and sees that he does the job right.

Kenneth Maines, Appleton & Cox, association president, conducted the meeting. R. M. Huyler, America Fore, chairman of the program committee, outlined the general scope of meetings for the coming year. As in the past, it is planned to have a joint meeting with the automobile underwriters.

National Board Fire Loss Study

(CONTINUED FROM PAGE 6)

where up to several hundred identical units have been constructed in compactly built areas, has raised the question of the acceptability of such types of construction in time of peace when the normal demand is for individual designs. The report also deals with the

committee's cooperation with other organizations and with educational institutions.

A notable accomplishment is the completion after several years of effort, of a standard on masonry which covers in detail the materials commonly used, establishing provisions that are consistent with safety, permitting reasonable economy and some degree of flexibility in design. It also gives to the building official authority to accept new materials and new methods of construction in the masonry field on a proper showing as to their suitability for use in building construction.

Actuarial Bureau Report

The daily average of adjusters' loss reports received by the National Board during the last 12 months has increased to 1,895 reports, or 30.6% over the daily average of the previous year, according to the actuarial bureau committee's report. In view of the manpower shortage, a tentative plan has been inaugurated which it is believed will curtail partially the detail now followed in submitting reports on multiple losses to the bureau.

The fire loss record since 1875, follows:

1875-1899			
Year	Aggregate Property Loss	Year	Aggregate Property Loss
1875 ..	\$ 78,102,285	1888 ..	\$110,885,665
1876 ..	64,630,600	1889 ..	123,046,833
1877 ..	68,265,800	1890 ..	108,993,792
1878 ..	64,315,900	1891 ..	143,764,967
1879 ..	77,703,700	1892 ..	151,516,098
1880 ..	74,643,400	1893 ..	167,544,370
1881 ..	81,280,900	1894 ..	140,006,484
1882 ..	84,505,024	1895 ..	142,110,233
1883 ..	100,149,228	1896 ..	118,737,420
1884 ..	110,008,611	1897 ..	116,354,575
1885 ..	102,818,796	1898 ..	130,593,905
1886 ..	104,924,750	1899 ..	153,597,830
1887 ..	120,283,055		

1900 TO 1943			
Year	Aggregate Property Loss	Index of Fire Losses* 1926 = 100	
1900	160,929,805	145.6	
1901	165,817,810	139.1	
1902	161,078,040	133.5	
1903	145,302,155	114.9	
1904	229,198,050	168.9	
1905	165,221,650	113.8	
1906	118,611,300	94.2	
1907	215,084,709	125.7	
1908	217,885,850	129.7	
1909	188,705,150	105.9	
1910	214,003,300	112.2	
1911	217,004,575	110.9	
1912	206,438,900	102.5	
1913	203,763,550	98.0	
1914	221,439,350	104.1	
1915	172,033,200	77.3	
1916	258,377,952	163.6	
1917	289,535,050	103.1	
1918	359,445,778	110.1	
1919	320,540,399	91.6	
1920	447,886,677	99.1	
1921	495,406,012	135.4	
1922	506,541,001	123.0	
1923	535,372,782	110.9	
1924	549,062,124	115.6	
1925	559,418,184	109.8	
1926	561,980,751	100.0	
1927	472,933,969	88.3	
1928	464,607,102	84.4	
1929	459,445,778	79.0	
1930	501,980,624	94.0	
1931	451,643,866	89.8	
1932	400,859,554	88.6	
1933	271,453,189	62.1	
1934	271,197,296	56.5	
1935	235,263,401	47.9	
1936	266,659,449	56.1	
1937	254,959,423	52.1	
1938	258,477,944	54.4	
1939	275,102,119	57.7	
1940	285,878,697	57.3	
1941	303,895,000	56.1	
1942	314,295,000	49.7	
1943	373,000,000	†	

*Adjusted for fluctuations in commodity prices and for variations in amount of property exposed to loss.

†Not available.
Previous to 1916 figures were obtained from the "Journal of Commerce," deducting the Canadian losses.

L. W. Phelps in Chicago Post

L. W. Phelps, underwriter in the inland marine department at Travelers home office, has been transferred to Chicago as superintendent of inland marine underwriting. He has been in the fire and marine business since graduation from Wesleyan college in 1928. He succeeds Donald W. Valentine, now with Fred S. James & Co.

W. K. Chetwood, special agent of Phoenix Assurance in Los Angeles, who recently underwent an operation, has recovered sufficiently to return to his home.

Wisconsin Agents Demand New Dwelling Form

(CONTINUED FROM PAGE 6)

characterized the insurance course at Wisconsin as a great step in public relations, and said better education and greater knowledge on the part of agents will enable them to better to meet competition. It is planned to resume the two-week summer insurance courses for agents under Prof. Gaumnitz after the war.

What Insurance Buyer Expects

Problems of the insurance buyer and what he expects from his agent were discussed at the luncheon by Russell Zahn, president of Zahn Dry Goods Co., Racine. While the general conception is that the agent acts for the company, Mr. Zahn said his concept is that the insurance salesman is his agent, from whom he buys protection. The agent must be qualified to determine the needs of the client, provide the necessary coverages, must watch for changes in the risk, in policies and needs, provide complete protection, with the correct policies that will pay fully on the losses the insured may sustain. The problems of the insurance buyers and agents are identical, as both represent the public interest. Without finding anything radically wrong with the insurance business, he said some minor technicalities and annoyances confronting buyers often determine their attitude and that of the public. With good natured jibes and amusing incidents, Mr. Zahn brought home many of his points of constructive criticism. The buyer, he said, is vitally interested in the welfare of the insurance business, since he needs the agent to watch his interests. Mr. Zahn said the agent should take an active part in local and state insurance organizations and affiliate with the national group, and that he can better provide full and complete protection by maintaining contacts, keeping up with developments and improving his professional ability to render real service to the insurance buyer.

Qualification Legislation Reviewed

August Lutz, chairman of the executive committee reported on several years of effort to secure a qualification bill in Wisconsin. The most recent bill ran into unexpected opposition and was finally allowed to die in committee. However, he added, the greater part of the groundwork has been laid, some valuable lessons have been learned and with some revisions it is hoped to make good progress in the next legislature.

There was considerable discussion of the effort of certain insurers specializing in finance business to line up automobile dealers to sell auto coverage. With the resumption of motor car manufacture and household appliances, prospective airplane sales and the like, it was suggested that local agents and bankers could accomplish a great deal through cooperation along this line.

New Toronto Association

TORONTO—A new agents' association has been formed here to be known as the Toronto & District Fire and Casualty Insurance Agents' Association. It will represent agents located in Toronto proper, as well as in outlying sections. There will be no conflict with the Toronto Insurance Conference.

George M. Orr, Toronto, is to be the first president of the new association. Vice-presidents will be Gilbert S. Percy and J. Warren Labbett; secretary-treasurer, Charles Priestman who also is secretary of the Ontario Fire & Casualty Insurance Agents Association, with which the new Toronto association is affiliated.

The Automobile Claims Association of New York elected two new members at the May meeting, L. A. Lloyd, Pacific Fire, and Matthew Lemberg, Fireman's Fund.

Northern of New York has been licensed in Oklahoma.

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TO BURN or NOT TO BURN



"Stand back, gentlemen! This is OURS!"

If you think fire-fighters hurry to a blaze today, you should have seen them race to the scene around 1760. In that era the first to arrive had the privilege of putting out the flames. If the building carried insurance, each member of the winning brigade was amply reimbursed by the insurance group or company involved.

Of course, if the building wasn't insured (and you could tell because insured structure dis-

Through the years, the business of insuring against fire loss has become a science in itself. Evaluating properties, measuring risks, charging each policyholder a fair premium for guaranteed protection—all have reached a high degree of perfection.

The American Insurance Group has played an active role in the progress of the insurance industry. It has every facility for handling claims—pertaining to your personal belongings—make this

The Nth Freedom FREEDOM FROM UNCERTAINTY is a contribution of the insurance business to better living. By measuring risks and spreading costs, insurance frees the individual from the threat of disastrous loss. The record of modern insurance is one of sound business management at moderate profit, and constantly broader protection at lower cost.

TO BURN OR NOT TO BURN

... that was the question back around 1760. In those days the deciding factor (as to whether firemen *would* or *would not* fight a fire) was entirely a matter of insurance.

Hose companies would race to the blaze. If the structure displayed an insurance "house mark," the first to arrive claimed the privilege of, and compensation for, fighting the fire. No "house mark"—no attempt to put out the flames.

In those days fire insurance was also primitive when compared with broadened coverages available to home-owners today. Agents and brokers now tell their customers about modern insurance protection by using our new *Simplified Personal Insurance Analysis*. It takes less than 30 minutes to complete one for the average home-owner, and time-saving is quite a factor these days.

Send for a sample today. Address The American Insurance Group, Department 30, Newark 1, N. J.

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They are not forgotten . . .

Somewhere, deep in enemy territory, our captured soldiers wait out the duration. Herded in prison camps, the shining event in their routine is the periodic arrival of a link from home—the American Red Cross package.

Listen to the stories of exchanged prisoners—hear them tell you that it was the food packages sent through the American Red Cross that literally kept many of them alive, and kept hope and faith alive in all of them. For the work of the American Red Cross in sending needed food—and comforts such as clothing and tobacco—is one of the great unsung stories of this war.

Supplementing this help to our caged fighting men, the International Red Cross, the parent organization of the American Red Cross, is authorized to transfer messages from prisoners of war to their homes. Thus a two-way channel of communication between those brave captives and their homeland functions regularly.

Yet—this is but one of the many great services, in war and in peace, performed by the American Red Cross.

It is with a feeling of sincere gratitude that we salute this unique, essential and most humane of institutions.



This is the third of a series of advertisements dedicated to the American Red Cross by

THE HOME INSURANCE COMPANY, NEW YORK

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